The NATIONAL UNDERWRITER

Life Insurance Edition

FRIDAY, DECEMBER 30, 1949

THE NATIONAL UNDERWRITER Life Insurance Edition. Published weekly by The National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. 53rd year. No. 52, Friday, December 30, 1949. $5.00 per year (Canada $6.00). 20 cents per copy. Entered as second-class matter June 9, 1900, at the post office at Chicago, Ill., under Act of March 3, 1879.

LIFE INSURANCE EDITION

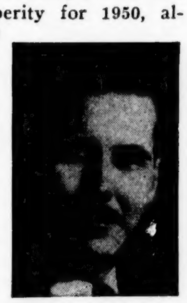
The NATIONAL UNDERWRITER

December 30, 1949
53rd Year, No. 52

1950 Prosperity to Rival '49 Level, Says Woodward

But Mutual's Economist Says U. S. Has Capacity to Do Much Better

NEW YORK—Predicting a continued high level of prosperity for 1950, although with income and output likely to be "a little less than in 1949," Donald B. Woodward, 2nd vice-president and head of the research division of Mutual Life, told the American Statistical Assn. that government is likely to demand more goods and services next year. But he forecast declines in demands from business for capital items, in the needs of agriculture for goods and services, and in demands from foreign sources. He said also that the call for automobiles is likely to decrease because the most urgent needs have been filled.



D. B. Woodward

Government Won't Offset Decline

These prospective declines are likely to exceed the stimulus from government, Mr. Woodward said. In the aggregate, Americans are likely to produce a little less and earn a little less next year than they did in 1949, he asserted. He said, however, that there are reasons to believe the country "could increase output, without strain, by something like 10% to 20% or more." This potentiality has tremendous significance, Mr. Woodward declared. He pointed out, for an example, that such an increase "could defray the cost of the federal government if used for that purpose; thus it could be the equivalent of a repeal of the entire present federal tax load." Or it could, if so used, greatly raise the income of low income groups.

About 5% of possible man-hours are not worked because of absenteeism resulting from reported illness or work stoppage, Mr. Woodward said, adding that "some portion of this is preventable."

Productivity Improvement Possible

Studies have indicated, he continued, that "marked increases in productivity are possible by intelligent treatment of motivation" of employes. He added:

"Business men widely report that production is, for a variety of reasons, somewhat less than is possible in present hours with present equipment. Machinery makers of all kinds are explicit that most firms could increase productivity and thus production by using presently available equipment. And finally, we know that production has in fact been markedly higher in the recent past, and with a smaller labor force and without the vast amount of new machinery which has recently been installed."

The economy is also retarded by defects in economic policy, Mr. Woodward said. The government, for ex-

(CONTINUED ON PAGE 13)

Standing of First 25 Cities in Premium Score

THE NATIONAL UNDERWRITER herewith presents an exhibit that shows the ranking of the first 25 cities in point of premiums received in 1948 by insurers of all types that are domiciled in those cities. Where the executive offices are located determines for purposes of this study, the city that is credited with premiums for a particular company in the event the company has a nominal head office elsewhere. The figures for accident and health companies include the A. & H. departments of life companies, but not the A. & H. business of multiple line casualty companies.

Hospitalization includes both Blue Cross and Blue Shield Associations, as well as other hospitalization and medical-surgical plans.

NEW YORK CITY—1

Stock Fire	999,708,530
Mutual Fire	14,797,621
Stock Casualty	417,709,356
Mutual Casualty	31,978,233
Reciprocal	5,467,142
Acci. & Health	137,957,097
Hospital	48,240,101
Life	2,239,347,938
Fraternal	5,081,249
Total	**3,900,287,267**

HARTFORD—2

Stock Fire	396,192,972
Mutual Fire	655,237
Stock Casualty	513,123,182
Acci. & Health	16,141,647
Life	541,191,515
Total	**1,467,304,553**

NEWARK—3

Stock Fire	114,930,787
Stock Casualty	58,227,317
Acci. & Health	24,149,434
Hospital	13,318,176
Life	1,110,590,416
Total	**1,321,216,130**

BOSTON—4

Stock Fire	33,226,183
Mutual Fire	91,892,443
Stock Casualty	92,736,680
Mutual Casualty	192,227,561
Acci. & Health	31,821,512
Hospital	30,392,445
Life	487,367,887
Fraternal	3,584,944
Total	**983,249,655**

CHICAGO—5

Stock Fire	11,711,841
Mutual Fire	13,624,902
Stock Casualty	173,989,629
Mutual Casualty	88,628,172
Reciprocal	20,030,637
Acci. & Health	85,856,125
Hospital	22,019,589
Life	78,902,531
Fraternal	19,398,363
Total	**514,161,789**

PHILADELPHIA—6

Stock Fire	154,655,630
Mutual Fire	7,441,177
Stock Casualty	114,161,978
Mutual Casualty	1,181,070
Reciprocal	358,039
Acci. & Health	12,918,742
Hospital	13,907,636
Life	166,414,114
Fraternal	2,561,569
Total	**473,599,955**

BALTIMORE—7

Stock Fire	36,060,251
Mutual Fire	270,998
Stock Casualty	202,863,598
Acci. & Health	301,352
Hospital	5,207,711
Life	35,953,625
Total	**280,587,535**

MILWAUKEE—8

Stock Fire	10,358,176
Mutual Fire	2,055,061
Stock Casualty	3,084,663
Mutual Casualty	3,325,977
Acci. & Health	3,860,031
Hospital	7,045,717
Life	222,624,108
Fraternal	1,357,530
Total	**253,711,263**

LOS ANGELES—9

Stock Fire	2,797,882
Mutual Fire	129,439
Stock Casualty	70,199,071
Reciprocal	61,765,606
Acci. & Health	25,511,745
Hospital	5,781,207
Life	81,600,185
Total	**247,785,135**

SAN FRANCISCO—10

Stock Fire	93,551,835
Stock Casualty	78,685,340
Reciprocal	11,674,849
Acci. & Health	1,365,446
Hospital	12,815,090
Life	6,000,288
Fraternal	172,494
Total	**204,265,342**

DES MOINES—11

Stock Fire	763,936
Mutual Fire	22,833,341
Stock Casualty	3,614,448
Mutual Casualty	28,043,380
Reciprocal	4,710,634
Acci. & Health	8,237,876
Hospital	5,158,840
Life	94,132,233
Total	**167,494,678**

SPRINGFIELD, MASS—12

Stock Fire	40,963,930
Mutual Fire	24,958
Stock Casualty	2,460,326
Acci. & Health	8,973,757
Life	108,077,791
Total	**160,500,762**

OMAHA—13

Stock Fire	2,197,921
Stock Casualty	3,840,974
Reciprocal	296,705
Acci. & Health	98,510,114
Hospital	1,662,187
Life	34,354,359
Fraternal	16,741,415
Total	**157,603,675**

KANSAS CITY—14

Stock Fire	9,257,852
Mutual Fire	1,749,707
Stock Casualty	46,591,761
Mutual Casualty	2,466,579
Reciprocal	18,739,894
Acci. & Health	12,462,193
Hospital	3,508,646
Life	36,100,020
Total	**140,876,652**

DETROIT—15

Stock Fire	5,090,882
Mutual Fire	139,295
Stock Casualty	49,909,723
Mutual Casualty	19,372,681
Reciprocal	15,698,887
Acci. & Health	5,885,763

(CONTINUED ON PAGE 14)

Bargaining Calls For Flexibility In Pensions

Greater Use of Self-Administrative Trust Funds Seen

Speaking before a pension clinic of the Illinois state chamber of commerce at Chicago, Frank L. Griffin, manager of the pension department of Marsh & McLennan, forecast much more widespread use of self-administrative trust funds in connection with pensions as a result of widespread bargaining. Mr. Griffin said that as many as possible of these negotiated plans will have to be financed on a low or modified reserve basis by paying only current service costs and interest on past service liability. This will mean wider use of the self-administered trust fund which permits this flexibility and will also result in less emphasis on insured plans which, with one exception, require all past service to be funded in a limited period of time. Since nothing is certain in a union negotiated plan, this flexibility is important, he stated. He termed flexibility not only in contribution but in administration and in plan changes the biggest distinction between self-administered and insured plans.

Must Meet Changing Conditions

Mr. Griffith indicated that variations can be expected under group annuity contracts to meet the changing conditions. He termed it foolish to discount the role played by the insured plans in the future and added that even the individual policy retirement trust will continue to have a place for small groups of employes. He termed it impossible to draw the dividing line between the size of a group where it is wiser to use one plan than the other, pointing out there is considerable difference in opinion as to the importance of securing the spread of risk and minimum interest guarantees provided by the insured plans.

Mr. Griffin foresaw the startling discovery that eventually present pension agreements benefit only those who will retire within the next few years. With the initiative taken away from the employers by unions, he saw demands for pensions going up and up. These demands may not be solely in the direction of increased pensions but toward further industry-wide pensions or more rapid vesting.

Some New Plans Less Generous

Mr. Griffin pointed out that some plans are being negotiated which are actually less generous than existing plans installed by management. "The important thing seemed to be to have a plan negotiated and set out in a labor agreement," he commented.

Prof. Leo Wolman, Columbia economist, commented that oddly the president's advisory board on the steel demands figured that pensions do not cost anything though wages do. He termed this an unrealistic attitude that is permeating public and governmental thinking. He described the supreme court decision that pensions are bargaining as lamentable in that it invades

(CONTINUED ON PAGE 16)

Year Called Decade's Most Eventful

By CLARENCE C. KLOCKSIN

Legislative Counsel Northwestern Mutual Life

No year for a decade held so much of absorbing interest for life insurance as the one just ending.

C. C. Klocksin

Opening last winter with an inquiry by the joint legislative committee of New York state into the size and growth of life insurance companies and their mounting investments in direct placement loans, the scene soon shifted to the national capital where Congressman Celler and Senator McCarran were collaborating on a full-scale investigation of the life insurance business.

In the same interval nearly all state legislatures convened in regular session along with the first session of the 81st Congress. A subcommittee on investments of the joint committee on the economic report, headed by Senator O'Mahoney, began an inquiry into investments and investment practices, including those of life insurance companies. Following extended discussions with Treasury officials, the joint committee on federal income taxation of the American Life Convention and Life Insurance Assn. of America appeared before a subcommittee of the House ways and means committee and agreed to a stop-gap taxation formula which included certain retroactive taxation of the companies. These and other developments of the year will hereinafter be recorded.

High Sales Volume

It is almost incredible to contemplate that the volume of new business for the past year will run equal to or slightly above the prodigious total production of a year ago. The approximate amount has been placed at $23½ billion. Notwithstanding the slow-down in general business conditions last spring, the field forces of life insurance have closed another outstanding year. It is a pleasure and a privilege to felicitate them for the huge volume of business written and for their high caliber job in general.

As a result of the year's operations the total amount of life insurance in force has risen to an estimated $214 billion, insuring approximately 80 million policyholders. The combined assets of the companies rose to about $59.3 billion or a gain of $3.8 billion for the year. Disbursements to policyholders and beneficiaries amounted to $3½ billion, of which death claims were about $1½ billion, the balance representing payments to living policyholders. All of the gains reflect healthy growth and progress in the life insurance business.

Surrenders and Policy Loans

Following a trend that began a year ago, voluntary terminations of insurance by cash surrender have increased by approximately 22% over the 1948 total. Policy loans and premium notes have risen more gradually and at the end of the year stood at about $2,225,000,000, an increase of $171 million or about 8% over the total a year ago.

Bond prices were relatively high throughout the year with yields on high grade securities in a definite downward trend during the last half of the year. Holdings of U. S. government bonds at the year-end were approximately $15,175,000,000, representing a little over one-fourth of the total assets of the companies. The combined bond account stood at about $39,275,000,000.

Mortgages are again in an advantageous position in the competitive investment market. Total mortgages owned rose to approximately $12,875,000,000, just over $2 billion more than a year ago. About 80% of the total represented mortgages on homes. Farm mortgages increased from $987,288,000 to about $1,150,000,000. Total real estate holdings rose to approximately $1¼ billion.

The effect of the government's long-range housing program is not expected to be felt very much in the first year or two of its operation, nor so long as private construction retains a substantial hold on the home building program.

INTEREST RATES

The money supply remained at a high level and the expected improvement in interest rates failed to materialize. In this connection it is well to bear in mind that the average assumed interest rate in company reserves is steadily diminishing.

No early change is looked for in the Treasury's policy on interest which has so largely contributed to the low rates that have prevailed in recent years. There are, however, some indications that the Treasury will be confronted with an increasing excess of redemptions over sales. A definite trend in this direction has already set in.

The nature of the problem in the next few years may best be seen in a look at the maturity schedule of the small series D and E savings bonds. In 1950 about $1,100,000,000 of the small bonds will mature; in 1951 about $1½ billion; in 1952 about $3.9 billion; in 1953 about $5.6 billion and 1954 about $6.3 billion.

It is believed the larger series F and G bonds will not provide as serious a problem since they are held by the more substantial investors who are likely to renew their holdings.

Although direct loans to business corporations have been made by life insurance companies for some period of time, no public criticism of the practice was heard until the acceleration in the amount of such loans occurred during the last few years.

Direct loans have afforded a simple and flexible means of financing with advantages to the parties concerned in that registration, issue, underwriting and distribution costs are eliminated. The registration provisions of the securities and exchange act do not apply to securities which are not offered to the public, the purpose of the act being to protect investors by requiring registration and full description of securities offered for public sale.

Heavy Legislative Year

Forty-four states and the Congress held regular sessions during the past year.

There was some early apprehension about the probable recommendations of the New York state joint legislative committee in relation to controlling the growth of the companies and to limiting their direct placement loans. Such loans were under close scrutiny of the joint committee which had under consideration a proposal to limit, in accordance with a formula, the amount of money that could be invested in one enterprise. It was found that such loans gave the companies no control over the loan market, nor over the management of the industries to which the loans were made.

Superintendent Dineen refused to approve the formula in question and the committee thereupon abandoned it in favor of a proposal limiting the amount that could be invested in any one business concern to 5% of a life company's assets. The legislature passed this proposal and the governor approved it.

STATUTES ADEQUATE

The hearings apparently satisfied the committee that the present statutes of New York, relating to the amount of new business that may be written by a company in any one year, were adequate for the purpose of regulating the size and growth of the companies.

New York, New Jersey, Connecticut, Massachusetts and Pennsylvania enacted laws under which the domestic life insurance companies of these states will contribute according to their assets up to $250,000 in order to defray the expenses of the committee on valuation of securities of the National Assn. of Insurance Commissioners.

Several additions to the staff of experts assisting the committee have already been made. It is anticipated that other jurisdictions will follow the example of the states referred to by enacting similar legislation.

A wide diversity of proposals affecting the life insurance business were introduced into the legislatures generally, but none seriously objectionable were enacted into law. Policy loan interest bills were introduced in Massachusetts and New York, while a proposal for savings bank life insurance was again offered in Pennsylvania. Compulsory investment proposals appeared in Maryland and Nevada.

Wisconsin Enacted Model Bill

The Wisconsin legislature enacted into law the model agents' qualification bill sponsored by the National Assn. of Life Underwriters. Proposals of a similar nature failed to pass in several other jurisdictions.

By far the greatest effort in the general legislative sessions was centered on the passage of the all-industry committee's bill known as the fair trade practices act which had previously been approved by 18 states. The purpose of uniform state legislation on fair trade practices is to prevent the federal trade commission from assuming jurisdiction over the insurance business. Six legislatures passed the uniform bill in 1949, raising to twenty-four the number of states having such statutes in force.

In order to give state courts jurisdiction over an unauthorized insurer, the all-industry committee in 1948 drafted an unauthorized insurers service of process act which was approved by the National Assn. of Insurance Commissioners for submission to state legislatures. As a result, laws based on this proposal were enacted in 14 states the past year.

Compulsory disability benefit legislation failed to make much headway. Only New York state completed action for such coverage. The state of Washington enacted a compulsory disability benefit bill which, before it can become effective, must be approved in a referendum election next year. Rhode Island, California and New Jersey had previously adopted compulsory disability benefit programs.

MAIL ORDER RULES

Following a number of conferences with mail order insurance companies doing principally an accident and health insurance business, the federal trade

(CONTINUED ON PAGE 15)

Year's Advances in Agency Management Summarized

By J. M. HOLCOMBE, JR.

Managing Director L.I.A.M.A.

We are all reasonably well-informed about the more important results of our agency effort in 1949 — the volume of sales, the state of our insurance in force and our lapses, and the gradually increasing size of our United States sales force. Those are facts. They were caused by influences which are many and varied. A few of them are worth considering.

J. M. Holcombe, Jr.

In the Life Insurance Agency Management Assn., we are constantly studying both causes and results for the purpose of seeing what results can be improved through changing the conditions which caused them. For example, an agent fails and leaves and business. What caused that failure? No doubt there are many answers. It is possible that he never should have been contracted at all because he did not possess what has become to be called "aptitude for selling life insurance." This is a relatively new phrase in our business, but is now universally understood and used. The next step is to attempt to measure such aptitude.

Cites New Aptitude Index

Our association has spent years of research and effort trying to develop a tool which would measure this quality with some accuracy. A significant development occurred during 1949 in this long pursuit for improvement. The aptitude index, which had been in successful use for about 10 years, was materially revised and the use of it was drastically changed. The revision was based on the study of actual records of the thousands of agents who had taken it. Companies now using the revised aptitude index are required to return all blanks to our office, thus making it possible for us to study the records not only of the men contracted, but of those not contracted.

Even in the few months since this change has been in operation, its value is becoming apparent. One company or agency, for example, gave the test to a large number of men who rated "A" but contracted virtually no "A" men, even though it is their desire to hire only men who rate high. Until this new plan of having the blanks returned to us was started, nobody knew that this company or agency was interviewing plenty of "A" men but that the failure to contract them lay in another area. At the close of 1949 we can proudly point to the fact that we have a source of information to put under the microscope which we never had before. Its practical use is already indicating much promise for helping both home offices and the heads of agencies in the selection of candidates, who will ultimately prove successful.

No Substitute for Experience

But no testing device for new agents will ever approach in accuracy what actual experience indicates. A statement was made by one of my associates this year which startled his audience. He said: "Turnover of agents should come earlier in many cases than it does." This means in essence that agents show in the first few months of their career unmistakable indications of the likelihood of their ultimate success or failure. This information has long been suspected. We now have the facts. Thus companies and managers are simply spending time and money on a poor investment when they keep under contract, with natural but vain hope, agents whose records for six months, or even less, show that they belong to a group headed for ultimate failure. This whole field of "post-selection" is being explored and eventually we hope to be able to save our companies and the heads of agencies much useless expenditure of time and money.

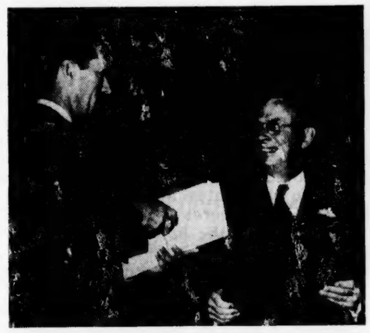
Still another field of recent investigation covers an analysis of the sales results over a considerable period of time of a large group of agents. From this we find that we are making a few agents respond with improving results to our training and supervision. But such steady growth in improved sales is the exception and not the rule. To trace the reason for the failure of the typical agent to show improved results after each successive period of experience is a highly potential matter.

If our present methods of training and supervision do not create better results, what changes are needed? As such a study progresses, we hope that we shall find some groups of agents who do have a record contrary to the usual result and whose sales improve with each quarter for several years or longe. When we have located such a group, it should then be possible to learn what factors existed in their training and supervision which did not exist with other groups. After our research technicians exhaust the study of the experiences of such a group we hope to be able to put into our training process the factors which existed among those men who actually did show growth. Here again this is virgin territory.

Studies of automobile buyers have

(CONTINUED ON PAGE 16)

Honored on 40th



President M. Albert Linton (right) of Provident Mutual receives a gift from Lowell W. Davis, Hartford, president of the Provident general agents' association, along with several other remembrances from members of the field force.

C. J. Rhoads, on behalf of the directors, presented him a silver tray inscribed with a facsimile signature of each director. P. G. Baker, on behalf of the home office employes, presented him an illustrated bird book, containing the signatures of each employe. Vice-president Andrew J. Davis, who presided, reviewed Mr. Linton's career. He joined the company 40 years ago.

Equitable Wins Annuity Tax Case

The Arizona supreme court has ruled in favor of Equitable Society in its suit against the Arizona corporation commission. The decision was that annuity considerations are not taxable as insurance premiums. The case has been followed closely by life insurance attorneys. It will probably be appealed to a higher court.

Efforts to Upset Established Benefit Plans Are Decried

Chicago Life Underwriters Assn. Adopts Strong "Statement of Principles"

Chicago Life Underwriters Assn. has adopted a "statement of principles" designed to protect established employe benefit plans from what the association considers to be unethical raiding by competing agents. "New agent" in the statement refers to the producer who seeks to oust an existing plan in favor of his own.

Following is the text of the statement, which was adopted unanimously:

Section 1. Any suggestion or suggestions by a new agent with respect to a change or changes in an existing employe benefit plan shall be in writing and signed by such agent; and such agent shall also furnish a statement in writing to the employer suggesting that the agent or agents then servicing the plan, or, if none, the insurer or insurers underwriting the plan, be notified and be given an opportunity to present their views.

Concedes Some Changes Needed

Section 2. It is recognized that there are situations where changes in employe benefit plans are necessary or desirable as conditions change; however, agents in their efforts to get business should exercise extreme care with respect to suggestions involving the surrender of an existing policy or policies for cash or paid-up values. An agent should not habitually make an approach to employers who have existing employe benefit plans with the ideas that suggest the surrender of policies in force under such plans. This is a destructive approach and is particularly questionable if conducted in a secretive manner and under circumstances where the employer does not have the benefit of advice from the originating agent or the insurance company whose policies are under attack.

Section 3. Because neither the internal revenue code nor any state law requires a certificate of actuarial soundness for self-insured plans, proper protection of the employer and employes requires that any agent having a part in the adoption of a plan purporting to provide retirement or insurance benefits wholly on a self-insured basis must provide a certificate of actuarial soundness signed by a member of the Society of Actuaries. In the case of a plan partly insured and partly self-insured, the agent must provide either a statement signed by an officer or employe of the insurer certifying to the actuarial soundness of the plan or a certificate of actuarial soundness signed by a member of the Society of Actuaries.

Conn. Gen'l Ups E. F. Wilson

Conecticut General Life has appointed Edgar F. Wilson as district group manager of its St. Louis office. A graduate of University of Idaho, Mr. Wilson joined Connecticut General in 1947. For the past year he has been assistant district group manager at Detroit. He is a marine corps veteran.

Capital Is Doubled

Pioneer American of Houston has declared a 100% stock dividend which increases the capital from $100,000 to $200,000. The company expects to enter new states.

Irwin Stresses Need For Retraining Veteran Agents

NEW YORK—Hampton H. Irwin, insurance professor at Wayne University, Detroit, addressing American Assn. of University Teachers of Insurance, brought out some of the special problems involved in insurance company training programs. He emphasized that his remarks were not those of passing judgment on the programs but rather to suggest criteria useful in appraising educational programs and their effectiveness.

H. H. Irwin

Mr. Irwin noted that the company programs are divided into two divisions, training the new agent and making him successful, and training, retraining and continual training of the established agent. The effectiveness and extent of the effort directed toward keeping the older agent successful may be a very important criterion of the overall effectiveness of the educational program, he remarked.

Veteran's Training Sketchy

In too many cases, the training of the veteran agent has been sketchy. He has been allowed to follow the way of least resistance so that it is necessary that he now be trained and retrained in the light of modern selling.

The life companies are to be congratulated on the tremendous strides they have made in educational programs in a relatively short time, for only as recently as 10 years ago, Mr. Irwin observed few companies had an educational director or a director of training. General agents and managers have come in for their share of instruction through the work of L.I.A.M.A.

The supervisor has been granted official recognition and this represents a new departure with respect to the ordinary companies. The supervisor has taken the place of a general agent or manager in training, a sort of apprentice for a managerial position. In some cases it may be said that the supervisor is taking his place as a part of the agency's operation without too much regard to promotion to managerial status. Mr. Irwin predicted that the future development of company programs will to a larger extent depend on the effectiveness of the supervisor.

Instructor Must Be Qualified

The qualification of the instructor is the first requisite for a successful program. Mr. Irwin pointed out that qualities that make for outstanding teaching ability are not necessarily those which make for conspicuous success in salesmanship. Further, both differ from the qualities necessary for a successful manager or general agent. Obviously an instructor should be a successful salesman, but if the one qualification for the position as an educational director is a high degree of sales success, with little or no demonstrated ability or training in the field of teaching, it is difficult for the instructor to measure up to the fullest opportunities of his position.

Mr. Irwin mentioned the limitations and restrictions that are placed on an instructor in company programs that are not present in a university. The university professor has the jealously regarded prerogative of academic freedom, whereas in the business world the instructor must conduct his work along lines laid down by a superior who may not have had the advantage of training and experience in that field.

Another point to be considered is the "entrance requirement" of the trainee. Just as college students are required to meet certain standards before being admitted, Mr. Irwin said the prerequisites on the part of those entering insurance assume great importance. For example, managers are trained in the methods and objectives of selecting the finest possible candidates for potential agents, but it is no secret that in many cases pressure from the home office is almost overwhelming on him to recruit. The result is that to the extent that the material with which he must work is substandard the effectiveness of the instructor and the educational program are necessarily less satisfactory.

Perennial debate arises around the common goals to be achieved in the company programs. In a company program, the question arises as to whether the main objective is to put the agent into production as soon as possible, or whether the main emphasis should be put on the professional concept of preparing him to be a competent agent. As a practical matter, Mr. Irwin suggested that perhaps a middle course could be charted.

Length, Intensity of Courses

The length and intensity of the course is another factor that should be given consideration. Mr. Irwin says that he knows of no uniformity in the length of company educational programs. In some cases, an agent is expected to study for a week or 10 days, or two weeks, in the office of the local agency and thereafter, the training is more or less spasmodic. In other companies, following the basic course and demonstrating proficiency in writing a certain amount of business, qualifies the agent to attend a home office or regional school, ranging from three or four days to two weeks or more. The A. & H. companies sometimes bring their agents in for a five or six weeks or even longer course, and intentionally with little or no previous study or experience.

Not a Matter of Weeks

Mr. Irwin said he would seriously question as to whether two, three or four weeks' study and instruction are sufficient to qualify an agent for professional service.

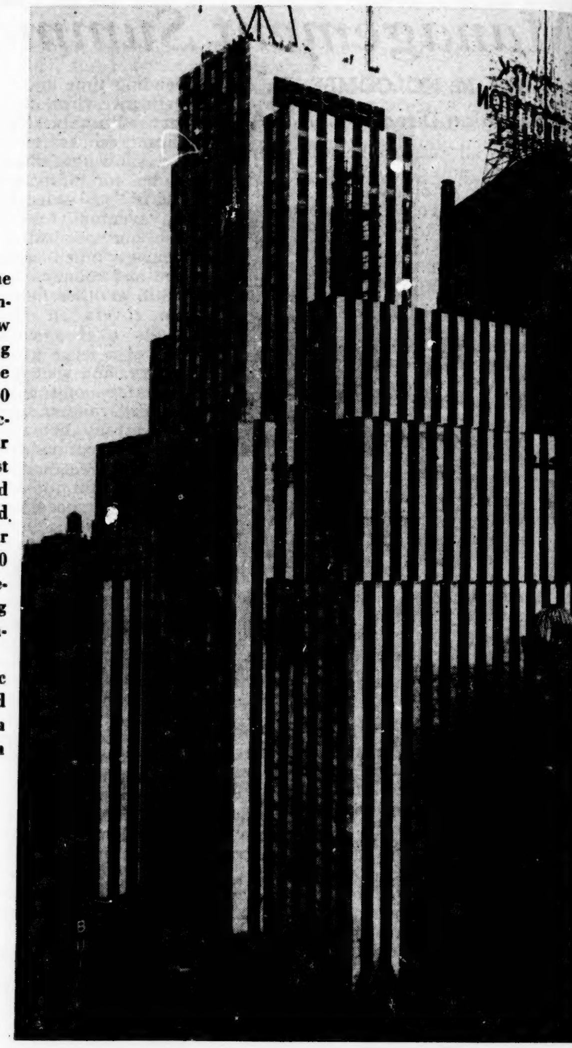
The over-all effectiveness of the company programs can be evaluated by looking at the end product and discovering whether the agent measures up to his responsibilities and privileges. This is a question for management to explore constantly in an effort to determine to what extent the agents are able to service the policyholders and, at the same time, make a decent living for themselves. This is a mutual responsibility of trainers and management and a responsibility here to the insuring public.

CIO Halts UOPWA Ouster Pending Injunction Suit

CIO officials have agreed to cease all further trial proceedings or any action on trial proceedings already held against the United Office and Professional Workers of America pending the hearing of a suit filed by the UOPWA in the federal court at Washington, D. C. The suit, which would enjoin the CIO from taking any steps to impair the autonomy of the UOPWA or to expel it, will be heard Jan. 10.

UOPWA's suit is based on charges that CIO officials have conspired to impair the autonomy of UOPWA and other CIO unions, that the amendments and charges under which UOPWA is being tried are unconstitutional, violating American freedom of belief and the bill of rights, that they constitute ex post facto legislation and that the trial committee is biased and its procedures unfair.

Mutual Life Building's Stonework in Place



Exterior stone work has been completed on the new home office building of Mutual Life. The equivalent of 30 floors of stone facing was set in four months. The first 1½ stories are faced with Deer Island granite. The upper floors required 3,000 tons of Indiana limestone. The building is scheduled for completion in May. Sylvania Electric Products has leased three floors for a term of 15 years in the new building.

Aetna Life Discontinues Use of Premium Receipts

Aetna Life has joined the growing list of about 25 companies which send premium receipts to policyholders only on request where the premium payment is made by check. The practice is not followed in some states.

The company's notice of premium has a record of payment stub attached. If the payment is made by check the stub can be detached and kept as a record. The premium notice and check are sent to the premium payment office or general agent whose account it is. The canceled check serves as the receipt.

If payment is made in any other manner than by check payable to the company, the stub is left attached to the notice and both are sent with the check to the payment office and a receipt is sent. Aetna's notice to policyholders concerning the change notes that the increased use of personal checks in payment of accounts has eliminated the need for other forms of receipt than the canceled check. It says that nearly all other lines of business have discontinued sending receipts when payments are made by check and that it is accepted as good business practice.

Mail Order Group Weighs All-Industry Proposal

WASHINGTON—Action on the insurance commissioners suggestion that Assn. of Insurance Advertisers name a representative to the all-industry committee is expected to await a meeting of the latter's board of directors after New Year's according to information from the office of Wendell Berge, association counsel.

Meanwhile, the report of the N.A.I.C. committee on unauthorized insurance has been circulated to members of A.I.A.

It is the understanding of Mr. Berge and associates that N.A.I.C. merely "recommended" that A.I.A. be invited to take a place in the all-industry committee. The latter is regarded by Mr. Berge as a purely industry committee, and it is "assumed" that, as a practical matter, if that committee wants A.I.A. to designate a representative to serve with it, an invitation to that effect will be forthcoming from the committee.

Mr. Berge has heard nothing from the all-industry committee. "Assuming" that A.I.A. will be invited, it was stated at his office that nothing was known of a "disposition not to accept" such an invitation.

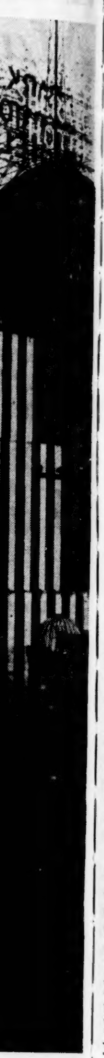
Mitchell Speaks at Portland

E. D. Mitchell, founder and chairman of Beneficial Standard Life, spoke at a luncheon meeting of district managers of the company at Portland, Ore. John P. Williams, Oregon state manager, presided.

New York State Electric & Gas Corp. is selling $10 million of 2.8% mortgage bonds due 1979 to New York Life, which is purchasing $7 million and Penn Mutual, which is taking the balance.

Cedar Rapids Managers Assn. had as its speaker Oscar Anderson, Equitable of Iowa, Cedar Rapids. C. V. Shepherd, National Life of Vermont, Cedar Rapids, will be the January speaker.

Place



rge, asso-
N.A.I.C.
insurance
nbers of
Ir. Berge
. merely
e invited
try com-
l by Mr.
ommittee,
practical
ts A.I.A.
to serve
ffect will
ittee.
ng from
suming"
as stated
nown of
such an

rtland

d chair-
e, spoke
ct man-
nd, Ore.
te man-

as Corp.
ortgage
k Life,
nd Penn
nce.

had as
quitable
epherd,
r Rap-

Mortality Again at New Low for 6th Year in a Row

Having come through another year of excellent health, American policyholders appear to have set a health record in 1949, according to the Institute of Life Insurance.

Reports available indicate that the death rate among U. S. policyholders will be at an all-time low, some 15% under the rate of 10 years ago.

This is the sixth consecutive year that life insurance policyholder death rates have declined. The 1949 rate indicates that there have been at least 80,000 fewer deaths among policyholders this year than would have occurred had the rate of 10 years ago applied. This gives some measure of the remarkable strides made in recent years in medicine and health conservation.

Wide Gains Shown

In spite of the health improvement, the life insurance policies matured by death this year will probably number 1,360,000. This will be a new record, but the increase is a reflection of the greater number of policies owned and not an increased death rate.

Most causes of death have been curtailed in their toll this year. Even heart diseases in their entire broad range, now the No. 1 killer, showed some improvement. Among the leading causes of death, only cancer and diabetes showed increases in their death rates.

The decade's progress is reflected in the fact that in 1949 the death rate from communicable diseases of childhood was one-fourth that of ten years ago; that for influenza and pneumonia was down 60%; tuberculosis 45%; accidents 15%. Even the toll from automobile accidents has been somewhat reduced, relatively, the 1949 death rate from this cause being over one-quarter less than ten years ago. Occupational accident deaths were down more than one-third.

N. Y. Dep't Ruling on Retentions Summarized

NEW YORK—In a move to prevent competitive abuses through retention guarantees in the sale of group policies, the New York department has ruled against contract provisions offering credits which will result in rates lower than minimums prescribed by the department. The ruling is directed at rating practices in the solicitation and sale of group, as distinguished from renewal rating procedures.

Under the new ruling, group life policies containing such guaranteed retentions or retrospective rating formulas which reduce initial premium rates below the prescribed minimums will not be approved by the department.

Similar rating procedures submitted for group A. & H. policies, to which minimum premium rules do not apply, will be required to meet statutory standards that the policy shall be self-supporting, that benefits provided therein shall not be unreasonable in relation to the premium charged, and that there shall be no unfair discrimination or misrepresentation.

The ruling also calls attention to the fact that under the insurance law dividends to policyholders cannot be guaranteed in advance and must not involve unfair discrimination among policyholders.

Any "retention" letter or other statement given to a policyholder or prospect illustrating or describing the operation of dividend or rate adjustment plans must clearly state that it is not a guaranty and that the dividend or rate adjustment plan is fully subject to change by the company.

Trabue Named to Head Commonwealth's Training, Public Relations

Stephen F. J. Trabue has been appointed director of training and public relations of Commonwealth Life.

This is a new position that has been created in recognition of the fact that the training of career agents, sales promotion and the development of good public relations are closely related and are best administered under the supervision of one person.

Mr. Trabue has a considerable background of life-insurance personal production, management, and supervisory experience in the field of advertising. He began his life insurance career in 1936, folowing several years with a large New Orleans advertising agency.

A graduate of University of Virginia, Mr. Trabue attended Harvard law school for two years.

Serving under Mr. Trabue, as administrative director of public relations, will be Harry H. Baker. He joined Commonwealth in September, 1948, as manager of the advertising section and has largely been responsible for the company's advertising and publications since that time.

Will C. McMasters will become administrative director of the training department under Mr. Trabue. Mr. McMasters has had considerable experience in the operation of the training department, serving as director of training from September, 1947 until September, 1948, when he was appointed assistant director of agencies in the industrial agency department, and serving as instructor in many schools since that time.

SS Staff Changes Seen Boosting HR 6000 Chances

WASHINGTON — Robert M. Ball, who served as chief of staff in 1947 to the Senate finance committee's social security advisory council, has been named head of the program analysis division of the old-age and survivors insurance bureau, social security administration. He succeeds Jacob Perlman, who has been transferred to Social Security Commissioner Altmeyer's office. Alvin M. David has been promoted to special assistant for program to OASI Bureau Director Pogge, from his previous assignment as chief of the analysis division's program planning branch.

The U. S. Chamber of Commerce social security division regards these changes as "highly significant because the strong team of Ball and David, supported by Wilbur J. Cohen, Commissioner Altmeyer's right-hand man, will be able to make a maximum effort to push H.R. 6000 through the Senate without curtailment—perhaps even with some liberalization. Mr. Ball, in particular, through his previous connection with the Senate finance committee, may be of great help to the administration if and as it seeks to resist demands for the elimination of the unsound provisions of H.R. 6000."

Mutual Radio Expert

Wallace C. Ross

Wallace C. Ross has joined the public relations division of Mutual Life to assist in the public service radio program on general health subjects. Mr. Ross has been in studio and production work with radio stations in Colorado, Texas and New York State.

He is a graduate of Cornell University. He was in the army.

XUM

Says Portfolio, Not Single Mortgage, Is Liquidity Measure

NEW YORK — A carefully planned and properly constituted portfolio of mortgages, with proper attention to maturities, offers a higher degree of liquidity than is generally recognized, said L. D. Meredith, executive vice-president and chairman of the finance committee of National Life of Vermont in his talk at the joint mortgage financing round table of the American Assn. of University Teachers of Insurance and the American Finance Assn.

L. D. Meredith

Mr. Meredith based his statement on an analysis of a substantial portfolio of mortgage loans over a 15-year period. He said it follows that a more substantial proportion of a portfolio may be invested in mortgage loans than would be desirable in the absence of this liquidity and that an increased rate of return on the entire investment portfolio may thus be obtained.

"Traditionally we tend to think of liquidity as an attribute of an individual investment, but more appropriately liquidity should be considered as an attribute of an investment portfolio," he said. "This concept circumvents the difficulty resulting from the fact that one mortgage loan, completely amortizable over its life and in good standing, might be considered an illiquid investment, whereas 2,000 mortgage loans of the same pattern over a period of time might contribute greatly to the liquidity of an institution. The same would be true of a portfolio of bonds of serial maturities or varying maturities."

Mr. Meredith, for the purpose of his discussion, defined liquidity of a portfolio as the attribute which makes a sufficient portion of its convertible into cash within a reasonable time by regular payments or self-liquidation, prompt sale without substantial loss, or by use of collateral for loan purposes to meet the lending institution's maximum requirements for cash.

The reasons for the high liquidity reflected by the portfolio analyzed by Mr. Meredith, were these: Self-liquidating loans now widely popular, are easily followed up and are rarely more than 30 days delinquent. An active real estate market contributes greatly to the seeming liquidity of mortgage loans. FHA insurance offers mortgagees the choice of turning over defaulted loans to the FHA at a small discount in exchange for FHA debentures guaranteed by the government. Development of federal agencies with more or less authority to buy mortgage loans augments greatly their real or potential marketability. Home Owners' Loan Corp. sets an example of this type of activity and has shown a commendable experience with refinancing defaulted loans. The RFC and Federal National Mortgage Assn., as well as the lending powers of the federal reserve banks against mortgage loans as collateral are other factors to be considered.

Gaumnitz Heads Teachers Group

NEW YORK—Erwin A. Gaumnitz of University of Wisconsin was elected president of American Assn. of University Teachers of Insurance at the annual meeting here this week. Vice-president is Clyde M. Kahler of University of Pennsylvania and secretary is J. Edward Hedges of Indiana University.

I. J. Sollenberger of University of Oklahoma was elected as a new member of the executive committee.

One of its best attendances was tribute to the quality of the program offered by the teachers association. More than 100 sat in on the four individual sessions and approximately 400 made a festive occasion of the banquet. This was in part a testimonial to the drawing power of Jesse Randall, president of Travelers, the banquet speaker.

J. A. Fitzgerald

One area in which the universities could devote more effort is in the field of insurance regulation R. C. McCullough, New York deputy superintendent of insurance, said. He replaced Superintendent Dineen who was ill with a cold. There are, Mr. McCullough said, dozens of problems which call for competent study on which no one has made a comprehensive analysis. They are problems which it is hard for the insurance department or insurance company associations to tackle because the insurance people are in too close daily contact with the business.

Dr. S. S. Huebner of University of Pennsylvania spoke briefly. Holgar Johnson, head of Institute of Life Insurance, was toastmaster. He was introduced by J. A. Fitzgerald, University of Texas, outgoing president, who also introduced past presidents of the group.

Union Mutual Managers Meet in Florida Jan. 3-7

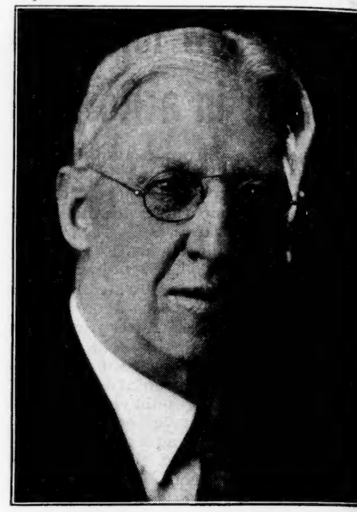
Union Mutual Life's managerial conference will open with a luncheon Jan. 3 and run until Jan. 7. It will be at the Hollywood Beach hotel in Florida. It will be the first time that the company has held a convention outside its home state of Maine.

Becomes Own Beneficiary

Stillman T. Closson of Rochester, N. Y., recently reached age 96 and collected insurance arranged 45 years ago with Connecticut General.

W. T. Plogsterth, field service director, described Lincoln National's estate planning program at a meeting of 50 Utah and Idaho representatives of the Isaacson agency at Salt Lake City.

Coast Editor Dies



CYRUS K. DREW

Cyrus K. Drew, 80, for many years an insurance publication editor, died in a Berkeley, Cal., hospital Monday. Mr. Drew started in insurance as a clerk with the New Orleans Board of Fire Underwriters in 1886. In 1896 he went into insurance journalism and until 1902 was managing editor of the "Insurance Herald" and "Insurance Field." In 1902 he joined the "Insurance Report" of Denver, of which he was editor until 1931, when the "Report" was merged with the "Pacific Underwriter" and the name changed to "Western Underwriter." When the latter was sold to "Pacific Insurance" several years ago he retired.

Life of Va. to Shift $6 Million from Surplus to Capital

RICHMOND, VA.—Directors of Life of Virginia have moved to double the capital stock of the firm and declare a 100% stock dividend to shareholders of record Feb. 1, 1950.

The board adopted a resolution requesting stockholders to take the necessary steps for increasing the company's capital stock by $6 million. Shareholders will act on the proposal at a meeting to be held Jan. 25.

The company's stock, with a par value of $20 a share, was listed on the Richmond stock exchange Dec. 20. at 102¼ bid.

President Robert E. Henley explained that the present authorized capital stock of $6 million is all issued and outstanding and that an amendment to the charter would be necessary before the additional stock could be issued. He expressed confidence that stockholders will act favorably on the directors' proposal.

Before the announcement 26 shares sold on the Richmond exchange at 103. The next day's sales ranged from 109 to 110 and closed with quotations of 109 bid and 111 asked.

First NSLI Dividends Due to Go Out About Jan. 15

The veterans administration says National Service life dividend checks will probably start being mailed out about mid-January. The dividend will range up to a $550 maximum.

More than 500 employes of Massachusetts Protective and Paul Revere attended the companies' annual **Christmas party.** Entertainment feature was an original satire on home office life.

Urges Teachers to Tell Students How Insurance Can Help

NEW YORK—College and university teachers can do much to help young college men and women get a personal and comprehensive picture of what life insurance can mean to them, as students, as young business or professional people starting out in life, as young husbands or wives establishing new family units, said C. B. Metzger, 2nd vice-president of Equitable Society in his talk before the American Assn. of University Teachers of Insurance.

C. B. Metzger

In addition to what life insurance can do for policyholders and beneficiaries, Mr. Metzger said that undergraduates should be taught the importance of its investments in the national economy and the broad social implications of the tremendous funds flowing to the public every year in benefits. He pointed out that few books on economics devote more than limited treatment to life insurance as an institution, yet the great majority of students will ultimately become buyers of life insurance and all will be affected by it.

Not Seeking Sales Promoters

The companies, he said, don't expect colleges to do a sales promotion job for them, but would welcome a better knowledge on the public's part to enable buyers to plan their economic security better and be able to pick out the right life insurance salesman when he comes along.

Mr. Metzger said vocational courses to assist those already in the business should not stop with C.L.U. preparatory courses, since there is also a need for courses for employes who want to advance. Generally speaking, initiative should come from local life people, but teachers can let it be known that they are willing to cooperate, formulate and teach such courses. A general integration course in life insurance fundamentals and typical company organization and operation would be extremely helpful, he said.

Mr. Metzger said Equitable hires young college men as prospective agents. He said some elements of Equitable's training courses might be used in colleges to teach life insurance selling, but they would still have to be augmented by company training programs for graduates who are ready to start selling. He said that with just a little change in selection procedure and more emphasis on sales training in the latter part of the course, Equitable's 30-year-old administrative training course could be the means of bringing in a supply of career salesmen who would have received excellent training in college, in the training course, and on the job under the unit manager system.

Can't Absorb Too Many

Mr. Metzger warned that while the life insurance business is a colossal one in many phases, it employs relatively few people in important supervisory, administrative and sales positions. With all the efforts being made to reduce turnover, both in the home office and field, "we always should have in mind the number of able college trained men that the business can absorb," he said.

Mr. Metger praised the college business exchange program of the Foundation for Economic Education under which teachers of economic subjects spend about six weeks during the summer with various companies, including life companies.

Realign LUTC Staff Duties; Zalinski Still in Top Post

NEW YORK — Life Underwriter Training Council has reallocated the administrative duties of its executive staff following the appointment of its managing director Edmund L. G. Zalinski to executive vice-president of National Assn. of Life Underwriters.

Mr. Zalinski continues to direct the council's activities as managing director at $1 per year. Levi E. Bottens becomes director of administration; Pasquale A. Quarto, director of training, and Loran E. Powell, agency superintendent for Gulf Life at Augusta, has been appointed administrative assistant.

Mr. Powell entered the business after army service as a debit agent for the Gulf Life in 1946 and later that year was promoted to agency superintendent at Augusta.

Mr. Zalinski will continue over-all supervision. Mr. Bottens will be responsible for revision of the council's course administration manual and in charge of instructors' conferences, guidance and formation of local and state course committees. Mr. Quarto will concentrate on preparing and revising text materials including research and preparation of case studies and instructors' guides.

Eighteen States Interested in Disability Benefits

Representatives of 18 industrial states at a meeting in New York City, with only one dissenting vote, approved a resolution recommending the enactment of sickness compensation legislation by state rather than federal governments. The dissenting vote came from Senator Patrick Ward of Connecticut, who expressed the belief that the federal government should step in if the states did not meet their responsibilities within a reasonable time.

The resolution followed a two-day discussion, study and comparison of temporary disability benefits laws in effect in Rhode Island, California, New Jersey, and New York.

Other states represented at the conference included Washington, Wisconsin, Michigan, Illinois, Ohio, Indiana, Pennsylvania, Maryland, Delaware, Connecticut, Massachusetts, Vermont, New Hampshire and Maine.

Another resolution urged prompt adoption of disability benefits legislation by states that do not have it and suggested that they draw on the experience of those states with such laws now in developing programs of their own.

The meeting was sponsored jointly by the New York state joint legislative committee on interstate cooperation and the council of state governments.

Three Companies Share Financing

Winn & Lovett Grocery Co. and its wholly owned subsidiary, Margaret Ann Stores, have arranged for loans amounting to $5,800,000 with Northwestern Mutual which took $2,850,000 of a 3¼% issue, Massachusetts Mutual, which took $950,000, and Mutual Life, which took $1,750,000 of 5% notes.

"Risk Appraisal," by **Dr. Harry Dingman,** vice-president and medical director of Continental Assurance, is quoted briefly in the article, "Are Cigarettes Harmful?" in the January "Reader's Digest." "Risk Appraisal" is published by the National Underwriter Co.

XUM

EDITORIAL COMMENT

Public Relations Has Climbed Out of Cellar

Insurance people are being reminded constantly through speeches and articles that public relations, including advertising, press relations and policyholder relations and any other sort of contact with the outside world, are of immeasurable importance. Many insurance organizations have devoted substantial time to discovering ways of explaining and presenting their business to the public. There have been several instances where success has been scored in this direction, but there are rough areas remaining. One such area seems to us to lie in the failure of some insurance companies to recognize that the public relations functions are of such importance that the men assigned to this work should be accorded positions and facilities that match their responsibilities.

Fresh in mind is the report of one of our acquaintances, a daily newspaper reporter, who was assigned to write a story which concerned a large insurance company. Naturally, his point of approach was through the public relations office, which also happened to be the advertising office of the insurance company in question. He reported to us with considerable surprise that he had difficulty finding the man in charge of press relations, but that he finally located him in a tiny den buttressed with what looked like stock room supplies in an out-of-the-way corner of the building. The contrast between the meager office space accorded the company's public relations executive and the plush offices provided many of the officers, department heads and supervisors caused him great wonderment.

Of course, being a newspaper man himself, he was aware that there are still many circles where public and press relations activities are regarded as nuisances, but to discover that this particular company still retained such an attitude did not help the insurance company's public relations in this particular instance.

It is our belief that heads of the advertising and public relations departments of insurance companies occupy positions of such importance that they deserve to be assigned quarters, facilities and staffs comparable at least to those accorded the general run of heads of other company activities. There are those who cling to the old army-navy theory that only the "line" officers are of any importance and those who head special functions, no matter how important these functions are, are never going very far. Even for these traditionalists, a very practical case intrudes itself for encasing public relations and advertising departments in the best settings available. Many company officers and department heads deal with the public infrequently, so that the beauty of their office quarters remains unappreciated as far as the public is concerned. The public relations and advertising offices, on the other hand, are visited many times a day by newspaper men, artists, advertising agency men, etc. They are often the first port of call for members of the public who want information about the company. To be ushered into a cellar or an attic office, grudgingly carved out of a stockroom or mimeograph department, is far from an impressive beginning for such people.

However beautiful and efficient the rest of the company offices may be, the impression created of the insurance company through its public-meeting department can be a cluttered and dingy one if such departments are mere afterthoughts or if public relations is assigned a minor role.

Maintain the Value of What We Sell

In an effort to arouse voters, whether Democrat or Republican, to the seriousness of the present administration's vast and growing spending program, the "Reader's Digest" in its December issue carries a startling comparison of what the Truman administration has spent in less than five years with the total spent by all previous Presidents, the extraordinary expenditures of the war years from 1941 to 1945 being excluded. This comparison shows that in less than five years the Truman administration has spent $191 billion as against $179.6 billion for all previous Presidents.

The "Reader's Digest" article, which is based on official government figures, goes on to state that "experts predict a large federal deficit during the current fiscal year ending next June. Yet the administration is demanding expenditure of many additional billions of dollars on vast new and untried projects."

The inflationary forces that are implicit in such a program of heavy spending and deficit financing affect no group more seriously than life insurance policyholders, beneficiaries and annuitants. It is discouraging to buy life insurance with the realization that the money it will pay in the future, either to beneficiaries or to the policyholder himself, may bear little relation to the value of the dollars paid for the contract. Life insurance sales forces would get a lot more satisfaction out of selling their product if they could have more assurance that they were selling future dollars with a stable price tag.

Possibly there is a hopeful sign in the great interest now being displayed in pension plans and other forms of security provision. It may be that when enough people get to thinking about their situations not just as of today but as of the time when they will be living on retirement income, they will see that there is more to inflation than just getting more and more of green stuff that is worth less and less. Enough of this sober thinking on the part of a few million people might cause a sharp swing away from the present sheep-like tacit approval of spending policies that promise everybody everything but lead the country only more deeply into debt.

Life insurance people, along with policyholders, beneficiaries and annuitants, have as vital a stake as anyone in curbing governmental spending and the inflation that goes with it. With their knowledge of what is involved and their reasons for spreading the gospel of a more conservative fiscal policy, they should speak out with all the power at their command.

PERSONAL SIDE OF THE BUSINESS

Oscar S. Pettis, president Beneficial Standard Life, is chairman of the 1950 United Jewish Welfare Fund campaign at Los Angeles.

Nelson A. White recently celebrated his 25th anniversary with Provident Mutual. He has been an officer since 1937 and is now director of education and training. He was the first president of the Life Advertisers Assn.

Norman H. Nelson, vice-president of Minnesota Mutual Life in charge of investments, has been chosen to rule as King Boreas XIV of the St. Paul winter carnival and will be enthroned at a huge pageant during the carnival.

F. H. Groel, vice-president and general secretary of Prudential, is a member of the committee of the New Jersey Safety Council seeking to raise $450,000 to finance the council's accident prevention and safety education program for the next three years.

Stanley M. Richman, vice-president General American Life will be a vice-chairman of the special gifts section of the $5 million campaign for the Cardinal Glennon Memorial Hospital for Children at St. Louis.

Ambassador **Lewis W. Douglas,** chairman on leave of absence from Mutual Life, was discharged from a New York City hospital shortly before Christmas after a leg operation which kept him there several weeks. He is spending a short time in the east before going to his home in Tucson. He is returning to England late in January.

Thomas P. Lovejoy, 1st vice-president Manhattan Life, is chairman of the conference section of the Mortgage Bankers Assn. of America, which is arranging a meeting in New York City Jan. 31 on business and building cycles. Speakers include Leon Keyserling, acting chairman of the President's council of economic advisers.

Sidney W. Souers, who has been appointed by President Truman to the newly-created position of special consultant to the President on national security, following his resignation as executive secretary of the national security council, was financial vice-president of General American Life before returning to active service with the navy shortly before the United States entry into the second war.

DEATHS

David Kay, Jr., 84, retired vice-president and general counsel of Mutual Benefit Life, died at Royal Oak, Md., where he had lived since he retired in 1934.

Louis Watson, father of Joseph Watson, chief examiner of the Illinois insurance department, died Christmas day at Pekin, Ill., at the age of 82.

William H. Ellison, 87, for the past 23 years with Travelers, and before that general agent for Northwestern Mutual Life, died at Salt Lake City, where he had lived for 43 years.

N. P. Guertin, father of Actuary Alfred N. Guertin of the American Life Convention, died at his home in Hartford after a short illness.

Sigourney Mellor, for many years in the life insurance business in New York City and Philadelphia, died at Philadelphia. He was at one time general agent of Provident Mutual in New York City. He was a graduate of the University of Pennsylvania. Mr. Mellor was formerly general agent of Aetna Life in Philadelphia but at the time of his death he represented Bankers Life of Nebraska. He was long an outstanding producer and was a life member of the Million Dollar Round Table. He suffered a heart attack shortly before his death but had recovered sufficiently to go to the Provident Mutual home office for an electrocardiogram check-up. He was about 57. A younger brother, Rowland F. Mellor, is with the Youngman agency of Mutual Benefit Life in New York City.

The **Midtown Managers Assn.** of New York City has elected Ralph G. Engelsman, Penn Mutual, president; Halsey Josephson, Connecticut Mutual, vice-president; and Walter Davidson, Northwestern Mutual, secretary.

THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION
PUBLISHED EVERY FRIDAY

ABC

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone WAbash 2-2704.

EDITORIAL DEPARTMENT: *Managing Editor:* Robert B. Mitchell. *News Editor:* F. A. Post. *Associate Editor:* Levering Cartwright. *Assistant Editors:* Richard J. Thain, John C. Burridge.

OFFICERS: Howard J. Burridge, President. Louis H. Martin, Vice-President and Secretary. John Z. Herschede, Treasurer. 420 E. Fourth St., Cincinnati 2, Ohio.

BRANCH OFFICES IN KEY CITIES

ATLANTA 3, GA.—432 Hurt Bldg. Tel. Walnut 9801. Ernest E. Hess, Southeastern Manager.

BOSTON 11, MASS.—210 Lincoln St. Tel. Liberty 2-1402. Wm. A. Scanlon, Vice-Pres.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. WAbash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Mgr. R. J. O Brien, Advertising Mgr. R. L. Rudd, Circulation Mgr.

CINCINNATI 2, OHIO—420 E. Fourth St. Tel. Parkway 2140. George C. Roeding, Associate Manager; George E. Wohlgemuth, News Editor; Roy Rosenquist, Statistician.

DALLAS 1, TEXAS — 802 Wilson Bldg., Tel. Prospect 7-1127. Roy H. Lang, Southwestern Manager.

DES MOINES 12, IOWA—3333 Grand Ave., Tel. 7-4677. R. J. Chapman. Resident Manager.

DETROIT 26, MICH. — 532 Lafayette Bldg. Tel. Woodward 3-2826. A. J. Edwards, Resident Manager.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg. Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg. Tel. Main 5417. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—99 John St., Room 1103, Tel. Beekman 3-3958. **Editorial Dept.**—Eastern Editor: Kenneth O. Force; Assistant Editor: Donald J. Reap. **Business Dept.** — Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg. Tel. COurt 2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. EXbrook 2-3054. F. W. Bland, Pacific Coast Manager.

Guardian Elects 2 Directors, Makes Several Promotions

NEW YORK — Guardian Life has elected W. A. Clarke, prominent Philadelphia mortgage banker, and Frank F. Weidenborner, agency vice-president, as directors and has appointed Dr. David C. Roberts as associate medical director, Edward J. Mellon as assistant controller, Eugene F. Gleason as assistant financial secretary and Warren Pace as assistant agency director.


F. F. Weidenborner

Mr. Clarke, president of W. A. Clarke Mortgage Co., is a member of the board of governors and of the executive committee of the Mortgage Bankers Assn. of America.

Mr. Weidenborner is an alumnus of the University of Michigan. He entered life insurance as an agent in his home city of St. Paul in 1919, following his service in the armed forces.

In 1924 he joined Guardian as agency assistant at its home office. He was appointed superintendent of agencies in 1928 and agency vice-president in 1940. He served as chairman of the agency section of the American Life Convention in 1941 and appeared as a speaker on agency affairs at the annual meeting of Life Insurance Assn. of America the same year.

Dr. Roberts received his medical degree from Tulane University in 1928. He joined Guardian in 1938 and was appointed assistant medical director. A lieutenant commander in the navy during the war, Dr. Roberts was in charge of the cardiology department at the Philadelphia Naval Hospital. He was later assigned as cardiologist aboard the hospital ship "Consolation," on duty in the Pacific.

Other Appointees' Careers

Mr. Mallon graduated from Fordham University in 1933 and won his master's degree in accounting from City College, New York, in 1941. He joined Guardian in 1929 in the cashier's department. He was transferred to the internal audit department in 1942 and to the controller's department in 1946. He is a C.P.A. and an army veteran.

Mr. Gleason attended the graduate school of business administration at New York University, majoring in investment analysis and corporation finance. He joined Guardian in 1929. As a result of passing the investment examination of the Life Office Management Assn. with the highest grade attained in the United States and Canada, Mr. Gleason was transferred to Guardian's investment department in 1940. He is an L.O.M.A. fellow and an army veteran.

Mr. Pace graduated from University of Richmond in 1943. On his return from the navy, he joined Guardian's Richmond, Va., agency in 1946 as an agent. Becoming agency supervisor in 1947, Mr. Pace was appointed associate manager of the agency last year. In December, 1948, he was brought into the company's home office in New York City as agency assistant.

Agency Plays Santa Claus

The Engelsman-Phillips agency of Penn Mutual in New York City was host to 91 children from the Graham Home at Hastings, N. Y., at a packed day of Christmas entertainment in New York City. The idea started with Charles Drimal of the agency, who suggested that the party be given in honor of Robert Perry, a successful agent who was reared in the Graham Home, and from whom Mr. Drimal had learned how bleak the holidays can be for those who have no homes. Those in the agency agreed that instead of having an office party, they would give a party. There were special gifts for each child.

The youngsters, ranging in age from six to 16, all orphans or children from broken homes, were treated to a royal good time from the minute of their arrival until they were taken back to the home where a festive special ice cream party climaxed the happy day.

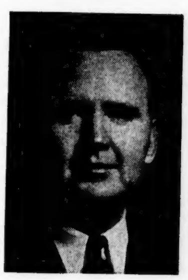
When the project was decided on, contact was made with the home and arrangements completed, including the procuring of a list of special gifts for each child. The agents filled those requests to the letter. The staff of eight girls in the office worked through their lunch hours wrapping each gift and marking each name on the packages. All the associates of the agency swung into the spirit of the occasion and played Santa Claus with vim.

N. Y. Life Promotes 8 in Agency Dept

NEW YORK—New York Life has elected two agency vice-presidents and appointed six field vice-presidents and two superintendents of agencies.

Raymond C. Johnson and Walter Weissinger, formerly assistant vice-presidents, were elected agency vice-presidents. Dudley Dowell continues to head the agency department as vice-president in charge of agency affairs.

The six field vice-presidents, named to a newly created position in the agency department, are former superintendents


R. C. Johnson


W. Weissinger

of agencies. They are Dudley S. Bates, Pacific division, San Francisco; Romney L. Campbell, southeastern division, New York City; Opie R. Carter, western division, St. Louis; Henry H. Hicks, central division, Chicago; Don Parker, northeastern division, New York City; and Frederick A. Wade, Canadian division, Toronto.

The two new superintendents of agencies, with headquarters in the home office, are Richard P. Koehn and Paul A. Norton. They were formerly assistant superintendents of agencies.

Mr. Johnson will assume specific responsibility for an increasing number of phases of agency administration and thereby enable Mr. Dowell to devote more of his time to general policy questions and new developments.

Mr. Weissinger will continue in charge of field services and agency relations and will have general direction of the sales promotion division, the club secretary's office, and the production records division.

The newly designated field vice-presidents will continue to make their headquarters in the field. They average well over 30 years of experience in the supervision of individual agencies and divisions.

Messrs. Koehn and Norton will assist Mr. Johnson. Mr. Koehn will have definite field responsibilities in cooperation with the field vice-presidents in the northeastern, southeastern and Canadian divisions. Mr. Norton will have a similar assignment for the central, western and Pacific divisions.

Mr. Koehn will continue to be in charge of expanded plans for college recruiting. Mr. Norton, in addition to his present home office responsibility for management training, including home office schools for newly appointed assistant managers, will assume also the general supervision of the field training division, with George J. Marsh as director of field training.

JOHNSON'S CAREER

Raymond C. Johnson started as an agent of New York Life in Phoenix in 1928 following his graduation from the University of Arizona. He became assistant manager of the Arizona branch in 1929 and its manager in 1934. Five years later he became manager of the Los Angeles branch, where his record was outstanding, and in 1942 he was made superintendent of agencies in the home office. In 1943 he was appointed an assistant vice-president. A C.L.U., he is a past president of the Arizona and Los Angeles life underwriters' associations. He is also actively interested in the American College and the American Society of C.L.U.

Mr. Weissinger, a graduate of Drake University, joined New York Life as an agent at Des Moines in 1929. In 1930 he became assistant manager there, later transferring to the Nebraska branch. He was promoted to manager at Fargo in 1935 and became successsively manager at Milwaukee, in 1938, Madison, Wis., in 1943, and Minneapolis in 1946. In 1947 he became an assistant vice-president. In his first year with the company he qualified for the **$200,000 Club.**

For the past two years he has been responsible primarily for agency relations.

Bates Was Cashier

Mr. Bates joined New York Life in 1941 as a branch office employe in San Francisco, subsequently becoming cashier there. He became manager at Fresno in 1923, and, after serving successively as manager of Golden Gate branch and the San Francisco clearing house, he was appointed a supervisor for the central Pacific Coast territory in 1937. A year later he became inspector of agencies, and in 1944 he was advanced to superintendent of agencies for the Pacific division.

Mr. Campbell, a graduate of University of Georgia, started as a New York Life agent in 1910. Thirteen years later he became manager at Charlotte, N. C., and in 1929 he became supervisor-at-large, with headquarters in New York City. In 1936 he was made inspector of agencies of the eastern department. He was put in charge of the Greater New York department in 1940, and in 1944 when the territory under his supervision was enlarged he became superintendent of agencies.

CARTER'S CAREER

Mr. Carter in 1911 became an office boy for the New York Life in Little Rock and two years later he entered the field as an agent. He was appointed manager at Memphis in 1918 and at Shreveport in 1923. In 1929 he became a division supervisor and in 1934 was promoted to inspector of agencies, with headquarters in Chicago. In 1941 he was named superintendent of agencies with headquarters in St. Louis, from which he supervised agency activities in the midwest, the Rocky Mountain and Gulf states.

Mr. Hicks jointed New York Life as an employe at San Francisco in 1914, later becoming cashier there. In 1923 he became assistant manager of the Oregon branch, transferring two years later to the San Francisco clearing office, and in 1926 he was promoted to manager at Oakland. He became a division supervisor with headquarters in Detroit in 1938, was made inspector of agencies in 1941, and in 1944 he was named superintendent of agencies of the central division with headquarters in Chicago.

Mr. Parker began his New York Life career in 1930 as an agent in Des Moines. He became assistant manager there in 1931. Three years later he transferred to Davenport and became manager there in 1935. From 1936 until 1940 he was manager of the Nebraska branch, and then was named a division supervisor with headquarters in Cleveland, later moving to Pittsburgh and Philadelphia. He became inspector of agencies in 1944 and in June of that year he was advanced to superintendent of agencies with headquarters in New York City.

Mr. Wade became a New York Life agent in Renfrew, Ont. He served as mayor of Renfrew in 1939-40. In 1941 he was appointed manager at Toronto and in 1943 he became inspector of agencies for the Canadian department. He was promoted to superintendent of agencies in January, 1949, when the Canadian territory was advanced to the status of a division because of the company's increased business there. He is a Canadian C.L.U.

Randall Stresses Insurance Role in Private Enterprise

NEW YORK — Jesse W. Randall, president of Travelers, speaking at the annual meeting of American Assn. of University Teachers of Insurance told in inspiring fashion the story of private enterprise and its advantages over the government planned economy schemes.

Mr. Randall emphasized that people must live in a world of reality and the present economic system, while not a utopia, is a long way from a system that is staggering toward collapse. He described the part that insurance plays in maintaining the United States at its present high level of prosperity. Insurance is the employer of thousands of persons and not the type that sit around in government-rented offices taking care of applicants and certain of a pay-check at the end of the month whether they take their feet off the desk or not. The insurance workers are after business, preaching the gospel of protection, and selling insurance to people who need it. They are paid so long as they produce and the more they produce the more they are paid.

Risks Covered in Advance

Insurance, he pointed out, provides the assurance that unpredictable risks will be covered in advance, with the consequent encouragement to venture into new businesses.

In other countries much of the capital for new business has been supplied by government or in others, by a small group of wealthy families. This presents the peril of vesting control in the hands of small powerful cliques, whereas in the United States most of the capital has been supplied by thousands of large and small investors protected in the background by insurance that lifts the burden of personal risk from their shoulders and enables them to invest their savings in the building up of businesses of their own or in the form of venture capital in new enterprises started by others.

Private insurance has met the test of the pioneering age, the machine age and the power age, and Mr. Randall declared that it is ready to meet the test of the atomic age.

Insurance, Mr. Randall pointed out, has contributed to the safety of the workers and the public in its inspection programs of elevators, machinery, and even in industrial illnesses. Fire engineers have brought the science of prevention and control to a high degree of efficiency. Life companies have poured millions of dollars into health education and substantial sums on research on problems of the national health.

Mr. Randall warned against looking for an "ism" to cure economic ills and neglecting the fact that the United States has something that comes close to a utopia right under its nose.

AMONG COMPANY MEN

A. Gordon Nairn Joins Prudential

TORONTO—A. Gordon Nairn, executive vice-president of the Life Underwriters Assn. of Canada, has been appointed director of agencies for Canada by Prudential, effective early in 1950. Mr. Nairn practiced law in Montreal for three years and in 1933 was appointed field supervisor of the association. In 1946 he became executive vice-president. As executive official he was in a large measure responsible for its coast-to-coast organization. He is well known in Canada and this country to agents and company and supervisory officials. He is widely known as a raconteur, specializing in French-Canadian anecdotes.

Paul Revere Advances Hallock; Dr. Abbott Retiring

Robert P. Hallock, Jr., has been named superintendent of agencies of Massachusetts Protective and Paul Revere Life. He will supervise western sales activities. He graduated from Dartmouth in 1938. In 1946 he joined the group department following army service.

Dr. John W. Abbott, medical director, is retiring in January and was honored by more than 70 of his company associates at a testimonial dinner. A graduate of Bates College and Harvard medical school, he joined the companies in 1924. He had previously been with Travelers, Guardian, and Maryland Casualty.

Metropolitan Ups Hunnewell, 9 Others

Hillman B. Hunnewell has been appointed 2nd vice-president of Metropolitan Life in charge of city mortgages.

Other year-end promotions are Norman Carpenter to 3rd vice-president in the city mortgage division; James E. McGurk to assistant secretary in the same division; LaRue S. Wagenseller to assistant actuary.

The following administrative personnel appointments are effective Jan. 1: Vernon L. Borum, manager, city mortgages division; Roger M. Brown, manager field service, group insurance division; George B. Ferguson, manager city mortgages division; John J. Finelli, manager procedure planning bureau, actuarial division; Jerome V. Leary, assistant manager publication division, and Walter R. Tyler, supervisor publication division.

Mr. Hunnewell has been with the company since 1924. He became assistant vice-president in 1946 and in 1948 3rd vice-president in charge of the city mortgages division.

Mr. Carpenter was appointed assistant vice-president in 1947. He joined the company in 1927. He is a graduate of Wesleyan University, and lives in Dobbs Ferry, N. Y.

Mr. McGurk, with the company since 1928, was first with the group policyholders service bureau and later in the coordination division. Since 1936 he has been connected with the city mortgages division. He is a graduate of New York University.

Mr. Wagenseller joined the company in 1928 following graduation from University of Pennsylvania. He is a fellow of the Society of Actuaries.

Prudential Promotes Three

James P. Anderson, Robert W. Brown, and George J. Dykes have been promoted to mortgage loan appraisers in Prudential's mortgage loan office at San Francisco.

Mr. Anderson and Mr. Brown joined Prudential as mortgage loan inspectors in 1947. Mr. Dykes joined the company as a clerk in San Francisco in 1937. He became section head in 1940 and was promoted to mortgage loan inspector in 1947.

Schwartz Leaves Occidental

Joseph Schwartz, superintendent of pension trust sales of Occidental Life, has resigned to open an office as a pension consultant.

He started in insurance at Portsmouth, N. H., following graduation from University of New Hampshire. He was with John Hancock, Union Central and Union Mutual Life at Portsmouth and Newark and in 1941 went to San Diego as general agent of Columbian National Life. He joined Occidental in 1942 in the pension trust department.

On Commonwealth Board

Commonwealth Life has elected W Roberts Wood director. He is executive vice-president of the Girdler Corp. He succeeds B. N. Woodson, now executive vice-president of State Life of Indiana.

Rockefeller a Director

John D. Rockefeller, 3rd, has been elected a director of New York Life.

Six new members of the **Home Office Quarter Century Club** of Provident Life & Accident were added at the annual Christmas party.

Actuarial Course in Tenn.

KNOXVILLE, TENN.—In view of the growth of employe pension plans and new state laws regulating casualty and fire insurance rates, which have increased opportunities for actuaries, Clyde J. Crobaugh, head of the insurance department of the University of Tennessee extension division, announces the establishment of a course in actuarial science, offering both the necessary mathematics and related business and liberal arts courses. The university also has, under Dr. Crobaugh, a training program leading to C.L.U. and C.P.C.U. designations.

Diabetic Pool in England

Mercantile & General, a leading British insurer, has recently formed a pool to insure diabetic risks. Under the reinsurance cover that is provided, the reinsurer runs the entire risk without any net retention by the ceding office.

Correction on Bankers Nat'l

The 16⅔ stock dividend of Bankers National Life payable Dec. 27 to stockholders of record Dec. 12 increases capital stock to $875,000 not $700,000 as stated in last week's issue. Actual capital was increased to $1 million but the stock for the balance has not yet been issued. A year ago capital was increased from $600,000 to $750,000.

AGENCY CHANGES

Correll Resigns Brooklyn Post with New England

Alfred G. Correll, general agent of New England Mutual Life in Brooklyn since 1934, has asked to be relieved of administrative responsibilities, effective Jan. 3. He will maintain his connection with the organization as associate general agent. Edwin W. Folsom, of New England Mutual's home office staff, will be acting manager pending appointment of a successor.

Mr. Correll, who has devoted most of his business career to life insurance, is a past president of the Brooklyn Life Managers Assn.

Mr. Folsom, a graduate of Cornell University, has been with New England Mutual since 1928, when he became a personal producer in Tampa. He was called to the home office in Boston in 1945, following four years of service in the air forces, and has been active in the agency department's comprehensive training program. He is a C.L.U.

Wiedemann Dallas G. A.

Fred Wiedemann has been appointed general agent for Minnesota Mutual at Dallas. Formerly an agent at Dallas, he succeeds his father, R. F. E. Wiedemann, who died in November.

Van Alstine to Cal. Western

N. H. Van Alstine, district manager for Great-West Life in Santa Monica, has resigned and will become general agent of California-Western States Life in Los Angeles. He was with Prudential for a time. He succeeds L. W. Hummel, who recently went with Bankers Life of Nebraska as general agent.

Names Four Asst. Managers

Prudential has appointed four assistant managers in California.

Wallace S. Sargent goes to Van Nuys. He joined Prudential as an agent in Los Angeles in 1947. Before that he was in the painting contracting business. He is a coast guard veteran.

William D. Hanger's post will be at San Pedro. He joined Prudential as an agent in San Pedro in 1946. He is a navy veteran.

Roy M. Hill and Charles G. Gerber become assistant managers in charge of the new Whittier, office. Mr. Hill joined Prudential as an agent in Los Angeles in 1948. Mr. Gerber became an agent for Prudential in Huntington Park in 1940.

Wideman E. Durham, associate manager of the Greenville ordinary agency of Life of Virginia since 1948, has been promoted to manager to succeed the late James C. Pridmore.

Peter F. Heron, formerly a district manager of Metropolitan in Cambridge, Mass., has been transferred as manager to Lewiston, Me. He has been with Metropolitan since 1931.

Occidental Life of Raleigh has opened a branch office in Roanoke with Raymond C. Aylor, supervisor for southwest Virginia, in charge.

Olin L. Burnsed has been named assistant manager in charge of the Brunswick, Ga., office of Metropolitan Life.

Plan Ohio TDB Hearings

The Ohio disability unemployement insurance commission will soon begin a series of public hearings. In the meantime a survey will be made to determine the extent of present disability coverage. Insurance Federation of Ohio has been giving the subject consideration. It is posible all Ohio insurance interests may unite in a discussion of the question.

COMPANIES

Washington National to Enlarge Its Home Office

Washington National has completed plans for construction of a seven-story addition to its home office building at Evanston Ill. The new addition, fronting 116 feet on Chicago avenue, will have approximately 85,000 square feet of floor space.

Washington National moved from Chicago to Evanston in 1936. In 1938 the seven-story home office building had been outgrown and a seven-story annex was built. The continuing growth of the company has necessitated the occupation of temporary quarters for some departments, pending the completion of the new addition. It occupies space at three different locations in Evanston.

The home office staff now numbers 800, having been increased 100 recently through the purchase of Great Northern Life and the merging of that company's staff into the Washington National organization. Many of the former Great Northern personnel will continue to work at 110 South Dearborn street, Chicago, until additional space is available.

The new building will be fireproof, of modern architectural design, with latest equipment. Plans include employes' lounges and space for meeting rooms. It is hoped that the addition will be completed about April, 1951.

Washington National, at the end of 1949, will have more than $575 million of life insurance in force, and assets exceeding $120 million. It has more than 2 million policyowners. It operates in 46 states and District of Columbia.

Mass. Mutual Glee Club Concert Highly Acclaimed

Massachusetts Mutual Glee Club sang its annual Christmas carol concert before an audience that packed the auditorium of the home office building. The chorus of 67 voices, directed by Harold Youngberg, head of music education in the Springfield public schools, won high praise from the music critic of the Springfield "Union". He wrote, "Harking back over the Christmas carol seemed we have heard by this club, it seemed that the one given last night was by far the best and that under the inspired leadership of Mr. Youngberg, the glee club had become a splendid body of singers able to communicate the text of every work sung and to bring to its listeners singing of the very first order."

The program was so arranged that the audience joined with the glee club in singing old familiar carols.

To Celebrate $50 Million

Midwest Life announces a field trip to New Orleans and Natchez to be held in celebration of the company's attaining $50 million of life insurance in force by the end of 1950.

Qualification will be based on business written between Dec. 1, 1949, and Dec. 31, 1950, and in force Feb. 1, 1951. A select group of 50 agents and their wives will be entitled to make the trip.

The three-year-old **Gibraltar Life** of Dallas will start its new home office building in a few months at Bryan and Harwood streets. Foundations will be made for a 20-story building but the original height from 10 to 20 stories will be determined by office space leases signed by March.

ACCIDENT

Colorado Association Holds Sales Congress at Denver

Charles B. Stumpf, president of International Assn. of A. & H. Underwriters, was featured speaker at the winter sales congress of Colorado A. & H. Assn. at Denver, Colo. W. L. Baldwin, president of Security Life & Accident, gave the kickoff address.

Others on the program were Carl A. Ernst, North American Life & Casualty, St. Paul, who spoke on the "Four S's"; "Stump the Experts" program, with David H. Stein, Pacific Mutual Life, association president, as moderator and Jack Capito, Business Men's Assurance; Frank Cathcart, Travelers, and Armond Schneider, Aetna Life, as participants. Also appearing on the program were R. R. Prangley, administrator of St. Luke's Hospital, on "Cooperation Between Hospitals and Insurance Carriers"; P. J. Wiebe, manager group department Aetna Life, "Do's and Don'ts in Group Underwriting," and Lyman C. Baldwin, vice-president of Security Life & Accident, "The Hardest Man to Sell."

W. O. Adams of Security L. & A. presided at all sessions except the luncheon at which Mr. Stein presided. There were 169 agents in atendance and 26 new members were secured as a result of the congress.

Entertain Chicago Orphans

The second Christmas orphans' party of Chicago A. & H. Assn., at which 100 little girls from two Chicago orphanages were guests, was even more successful than the first one last year, when 100 boys from the orphanages were entertained.

In addition to the luncheon, refreshments were provided through the afternoon. There was a Santa Claus, who gave substantial gifts to all the children, and an elaborate entertainment program. E. H. O'Connor, Insurance Economics Society, was chairman of the committee in charge.

Stratton L. A. Speaker

Robert Stratton, sales manager of the accident and sickness department of Pacific Mutual Life addressed the Los Angeles A. & H. Underwriters Assn. on "Motivation a Powerful Factor in Filling A. & H. Needs." He said the new man in the business is 70% underinsured, and that he must first meet his own needs. He must have enthusiasm for the business and believe in it. He declared that the man who writes two medical expense policies per week will have an income of $200 per month in 10 years.

Children Milwaukee Guests

More than 225 youngsters from Milwaukee County Children's Home were entertained by A. & H. Underwriters of Milwaukee, assisted by women employes of companies and agencies and wives of members, at a Christmas party for the seventh year. Gilbert A. Diehl, Business Men's Assurance, again was chairman.

Hearing on Cal. Amendments

Commissioner Downey of California has sent out notice for a public hearing at San Francisco Jan. 5 on proposed amendments to the regulations for UCD policies and group disability standard provisions.

Akron Is Trophy Winner

The Akron agency of Ohio State Life won the President's Trophy in the annual campaign honoring President Claris Adams. Robert Patterson, general agent at Akron, also led personal producers. The Akron agency was followed by Michigan, Lexington, Ky., Mansfield, O., Cleveland, Marion, O., Wheeling and Muncie, Ind. The trophy will be presented at the agency convention of Ohio State Life at Columbus opening Jan. 30.

Travelers Won't Sell Tract

HARTFORD—Officials of the Travelers have refused offers to buy part of their Albany avenue tract, formerly used as a recreation ground, for a new legitimate theater. The plea for the company to sell the land was made in person by the noted architect Frank Lloyd Wright.

The buildings on the site at Albany avenue have been torn down. But as as far as can be learned, Travelers has no immediate plans for the tract.

Hepler Is Featured

SALT LAKE CITY—C. W. Hepler, manager of the group departments of United Life and Mutual Benefit H. & A., addressed 60 out-of-town agents and employes of the Walker Insurance Agency here at its Christmas party.

NEWS ABOUT LIFE POLICIES

Mutual Benefit Introduces New Juvenile Program

Mutual Benefit Life has introduced a new juvenile insurance program consisting of four types of coverage.

The basic policy, issued at ages 0-9, provides for return of premiums paid with interest in the event of death prior to age 10. A full coverage rider is available and also two premium-protection features. (In New York the coverage rider is available only at issue ages 5-9.) Sales aid kits have been prepared and are available for brokers' use as well as for the Mutual Benefit agents.

The full coverage rider, available at the time of issue, provides enough additional coverage to pay the face amount of the policy in the event of death before age 10. When the contract is issued at insurance age 0, however, only 25% of the face amount will be paid if death occurs during the first policy year. The maximum amount of insurance to which the full coverage rider may be added is two-thirds the regular maximum limits. There are two premium-protection or payor-benefit elements that may be added, at the time of issue only, to policies issued at ages 0-14, inclusive, where the applicant is at least 20 years older than the insured.

The first is a premium-protection rider which provides for waiver of premiums in the event of the death of the applicant until the end of the policy year nearest the insured's 25th birthday. The applicant must not be over age 60. The second payor benefit is a disability, premium-protection policy which is a supplementary contract. It is available only in combination with the death-only rider and provides for waiver of premiums in the event of the continued disability of the applicant until the end of the policy year nearest the insured's 25th birthday. Under this contract, coverage is terminated when the applicant reaches age 60, or 55 if female. At issue, the applicant must not be over 55 if male, or 39 if female.

The new contract will be available on seven plans: Ordinary life, 10 payment life, 20 payment life, life paid-up at 60, 20-year endowment, endowment at 65 and income endowment at 65. The maximum limits of amount will be $15,000 face amount for ages 0-4 and $30,000 for ages 5-9. For particularly desirable risks, consideration will be given to doubling these amounts.

Guardian Eases Non-Medical Rules

NEW YORK—Increased non-medical limits, and extension of non-medical procedure to all applications for amounts up to and including $2,500 at ages 45 and under have been announced by Guardian Life.

All individual plans (including term insurance and special contracts) may be written on the non-medical basis, with the exception of the low-cost preferred risk policies, which are only available for above-average risks. Rules governing pension trust business remain unchanged.

The new non-medical limits applicable to male and female livies, where allowed by state law, now extend to $10,000 for issue ages 15 to 30, $5,000 for ages 31 to 40 and $2,500 for ages 41 to 45. Guardian's previous limits were $5,000 to age 35 and $3,000 for ages 36 through 40. Waiver of premium and accidental death benefits may be included.

Guardian's regular disability income benefit on male lives of $10 of monthly income per $1,000 of insurance may also be included without medical examination up to $50 a month at ages 40 and under, and $25 a month at ages 41 to 45 inclusive.

Exceptions to the new non-medical rule are housewives, domestic servants and other females employed solely within the home, who must be examined for applications over $2,500.

The non-medical procedure has now been extended by the company to all applications for $2,500 or less at ages 45 and under, regardless of the source of business, with very few exceptions. Disability and accidental death benefits may be included in these applications, for cases otherwise eligible.

In addition to the full-time agents of the company, all general insurance brokers under contract to Guardian will be able to take advantage of the increased non-medical limits if they qualify under present rules for the non-medical privilege.

Home Reduces Term Rates

The five and ten year non-renewable convertible term rates of Home Life of New York have been considerably reduced. The new rates for these policies and the first year dividend are shown below:

	5 Year Term		10 Year Term	
Age	Prem.	1st Div.	Prem.	1st Div.
17	$ 6.88	$ 1.05	$ 7.11	$ 1.18
20	7.15	1.19	7.44	1.35
25	7.78	1.54	8.23	1.78
30	8.75	2.06	9.43	2.35
35	10.23	2.69	11.27	2.97
40	12.49	3.30	14.08	3.38
45	15.94	3.48	18.35	3.57
50	21.22	3.70	24.83	4.13
55	29.24	4.68	...	...

ASSOCIATIONS

Ga. Caravan Itinerary

The life insurance sales caravan sponsored by the Georgia Life Underwriters Assn. will get under way in Atlanta Feb. 22, then hit the road for Macon (Feb. 23), Albany (Feb. 24), and Columbus (Feb. 25). D. Lee Ballard, New York Life, Augusta, heads the committee. Speakers include William T. Earls, general agent Connecticut Mutual, Cincinnati; B. N. Woodson, executive vice-president State Life of Indiana, Grover C. Clay of New York, division supervisor of field training for Metropolitan; Lester O. Schriver, general agent Aetna in Peoria; Harry Davis, general agent Massachusetts Mutual, Atlanta; Walter Weissinger, assistant vice-president New York Life; W. J. Hamrick of Jacksonville, agency vice-president Gulf Life.

Messrs. Clay, Weissinger, and Hamrick will make the full circuit; Messrs. Earls and Woodson will speak in Atlanta and Macon, while Mr. Davis and Mr. Schriver will speak in Albany and Columbus.

N. Y. Assn. to Hear Sloane

Harold N. Sloane, partner in the Gruber, Lynch & Sloane agency of Continental Assurance in New York City, will be one of three speakers at the Jan. 20 educational meeting of the New York City Life Underwriters Assn. He will present sales ideas on business insurance for small and medium size cases.

Gator Congresses Feb. 16-18

The "Gator" sales congresses will be held at Miami Feb. 16, Orlando, Feb. 17 and Jacksonville Feb. 18. The first two will be in the afternoon, the Jacksonville meeting being in the morning. R. W. DePau, Jr., Prudential, Miami, is general chairman.

Speakers for Chicago Forum

The third of the 1950 Saturday morning forums of the Chicago Life Underwriters Assn. will be held Feb. 18 at 10 a. m. at the La Salle hotel. Speakers will be William D. Davidson, Equitable Society, Chicago, on "Programming for Clientele Building," and Nathan P. Paulus, John Hancock, Lafayette, Ind., on "How to Plan for Family Happiness." Earl M. Schwemm, manager Great-West Life, will preside.

The **women's group** of the Detroit Life Underwriters Assn. held their annual Christmas party. The program and arrangements were in charge of M. Louise Wilson of C. A. Macauley & Associated Consultants, Inc.; Matilda M. Wells, Prudential; Rena T. Kanter, National Life of Vermont, and Willa Minghini, Business Men's Assurance. Luella Wertz, Reliance Life, presided.

A women's division of the Northern New Jersey Life Underwriters Assn. has been set up with Mildred F. Stone, director of policyholder service of Mutual Benefit Life, as chairman.

Niagara Falls, Ont.—John A. McBurney has been elected president; George Ashby, vice-president; Stuart Moore, secretary, and George White, treasurer. Bruce Mennie is retiring president.

District of Columbia—W. D. Macy, III, Phoenix Mutual, has been named a director to fill the vacancy created when John D. Marsh, Lincoln National, became a national trustee.

Wheeling, W. Va.—Rev. Lloyd S. Hindman, pastor of Vance Memorial Presbyterian Church at Woodsdale, was the speaker. Elmer Eisele, association secretary, has been transferred from the city and is succeeded by John J. Smila.

Paris, Ky.—An association has been formed with A. C. Wallace as president; W. W. Marcum, Winchester, vice-president; Charles Day, secretary, and Lucien Arnsparger, national committeeman.

Green Bay, Wis.—Featuring a meeting of Northeastern Wisconsin Assn., was the showing of the new movie, "For Some Must Watch." Members invited nonmember life agents to view the showing.

La Crosse, Wis.—H. K. Holley, Jr., of La Crosse Trust Co. at a luncheon-meeting of Western Wisconsin Assn. presented a brief outline of the relations between life insurance and trust companies.

Madison, Wis.—For the fourth consecutive year, a group of 50 from the Dane County Home was entertained at a Christmas party.

Springfield, Ill.—Harold A. Meyer, district manager John Hancock Mutual, state chairman Life Underwriter Training Council, was the speaker.

Tallahassee—Commissioner Larson was the principal speaker at the annual ladies night meeting.

Miami—R. A. Patrick, Jr., president Florida association, was the speaker, presenting a plan of the state board of education to place in the high schools the new text-book "Buying Insurance." The Institute of Life Insurance picture "For Some Must Watch" was shown. R. W. DePau, Jr., Prudential, Miami association president, spoke on the real sources of the NSLI dividend.

Montreal—George Grondin of the Royal Trust Co. addressed a luncheon.

St. Louis, Chicago Blue Cross Plans Arbitrate Spat

St. Louis Blue Cross has dismissed a suit in U. S. district court against five southern Illinois hospitals, alleging that the hospitals had entered into a conspiracy with Chicago Blue Cross plan to quit doing business with the St. Louis organization. A truce has been established between the St. Louis plan and the Chicago plan over the southern Illinois territory. The five hospitals have agreed to service both members of the St. Louis and Chicago plans pending settlement of the dispute. Both of the plans agreed not to solicit additional members in the southern Illinois counties until the three-man arbitration committee rules on the points in dispute.

Florida Congress Feb. 24-25

Florida Assn. of A. & H. Underwriters will hold its spring meeting and sales congress Feb. 24-25 at Tampa. President C. B. Stumpf will represent the International association.

T. A. Sick, president of the Security Mutual Life of Nebraska has been elected president of the Lincoln Chamber of Commerce.

Woodward Forecasts Prosperous 1950

(CONTINUED FROM PAGE 1)

ample, he is, is being over-ambitious, at the urgency of nearly every major group in the economy. It is utilizing some of present resources and committing large amounts of future resources for purposes not necessary to honor past obligations and not best designed to increase the nation's standard of living and strength. Inefficient resources use is the same as resource waste.

Over-ambition, Mr. Woodward warned, is preparing conditions which will make for economic instability in the future, and instability is both wasteful and weakening.

NEEDLES SEERS

Mr. Woodward prefaced his talk with a good natured dig at the number of economic forecasts that have been loosed on the country. He said:

"During recent years, business forecasting has become steadily less hazardous, until this year it entails virtually no risk at all. This diminution in the occupational peril results from the fact that, practically speaking, everyone has become a forecaster. My tabulation through 6:15 o'clock last evening showed that the number of forecasts for 1950 issued to that time slightly exceeded the number of persons above the age of 18 in the American population. This excess arises from the fact that some business executives make one forecast for their sales departments and another for their accounting departments, and from the usual phenomenon that a number of professional economists have two, or even three, different opinions.

"This virtually universal participation in prediction means that every forecaster can escape the rocks of criticism by appeal to the Master's injunction: 'He that is without sin among you. let him first cast a stone.' I do not, of course, mean to suggest any slightest similarity between forecasters and the character who evoked that injunction.

Forecasting Is Held Vital

"This universality of forecasting arises from the necessities of modern economic society. This society possesses resources of skill, of money, and of physical property, far in excess of any previous time. The individuals and institutions holding those resources wish to allocate them to attain maximum possible resuls. And the high rate of change associated with technological development and intense competition means that prudent holders of resources of skill, money or physical property dare not take the risk of being indifferent about the outlook. Therefore, we are all concerned with forecasting, whether we like it or not. And the one prediction I can make with truly great confidence is that we shall become, next year and in the years that follow, more involved in forecasting that we are even now."

Mr. Woodward recalled that a year ago he listed seven of what seemed to be soft spots and in the economy five factors of strength. All seven of the soft spots, and all five of the strong spots, continue to exist now, he said, though the potency of some in each list appears to have been diminished. He suggested again, as last year, that policy, both public and private, should emphasize caution and not daring.

"Now, having made a forecast as to the shape of things to come in 1950, I find myself disconcerted with an uncomfortable question," he said. "Is this general forecast of little change, of continuation at a level of very high prosperity—even if a little less so—that so many of us made last year and are making again this year, likely to be misleading alike to the public and to public and private policymakers?

"I'm afraid it can be quite misleading, entirely aside from the possibility that it could be misleading by being wrong. For it suggests the inference that, since we've been having and are expected to go on having for another year at least a condition of high prosperity, that all is well with the American economy. I don't want to be a party to that complacent assumption, even by implication. And so I want to add two more considerations to the forecast, by asking two other questions about the present and near-term position and outlook for the economy. First, how does the probable level of output and income compare with the possible? Second, how does the probable economic policy compare with the desirable?

Cites Nourse Book

"The answer to the first question I think must be emphatically that output and real income in 1950 are likely to be significantly less than would be perfectly possible without undue strain. In 1934 Dr. Nourse's careful study of 'America's Capacity To Produce' found that in the prosperous period of the latter 1920's this country was turning out almost 20% less than was possible. No such study is available of the present situation so far as I know, but a re-reading of the Nourse analysis with observation of the present strongly indicates, to me at least, that such a study if made today, would again find production to be at a level significantly below what is possible without strain."

Obviously, since present output and income are substantially below what is possible without strain, economic policy in the broadest sense is deficient, he said. The forecast of little change or small decline that most are making for 1950 represents a prediction that economic policy in its broadest sense will continue defective in 1950 or become more so.

"We are therefore not forecasting a happy state of affairs, even though we are predicting a level of business that would be high in comparison with nearly all past years, and a level of per capita consumption that would compare favorably with that anywhere else on the globe," he pointed out.

Mutual Benefit Ups Five Officers

Mutual Benefit Life has made the following changes in its home office executive staff:

Ira S. Hoddinott, Milford A. Vieser and William M. Whitesell, formerly 2nd vice-presidents, were elected vice-presidents, and William L. Phillips was elected treasurer, having previously been assistant treasurer. Mr. Hoddinott will have direct supervision over the farm investment department, Mr. Vieser over the city investment department and Mr. Whitesell over the bond investment department.

Richard E. Pille was promoted from director of agencies to vice-president in charge of agencies.

Duties, Responsibilities Rearranged

A rearrangement of departmental duties and responsibilities of other vice-presidents was approved by the board as follows:

Dr. Walter A. Reiter, vice-president and medical director, will continue to administer the department of issue, comprising medical, laboratory, infirmary, underwriting, policy change, index and records divisions.

Vice-president H. Bruce Palmer will have authority and responsibility over the agency, personnel, public services, advertising, purchasing and miscellaneous services departments.

Vice-president Harry W. Jones will have authority and responsibility over the mathematical, accounting and procedures, general accounts departments and home office premium payment offices.

Vice-president and Counsel Edward O. Stanley's authority and responsibility over the law and supplemental agreement departments will continue and the tax department will be assigned to his jurisdiction. Supervision of the claim department will be shared jointly by Vice-presidents Jones and Stanley.

I. S. Hoddinott's Career

Mr. Hoddinott's first association with Mutual Benefit was in 1931 as farm loan inspector, traveling in 13 states, and he was brought into the home office the following year to assist in establishing farm loan branch offices. He was appointed assistant treasurer in 1937 and has supervised the farm loan branches and correspondents since 1945, being elected 2nd vice-president and manager of farm loan division in December, 1947.

Joining Mutual Benefit in 1942 as manager of city mortgage investments, Mr. Vieser was elected assistant treasurer in 1946 and 2nd vice-president and manager of city loan division in 1947. He began his business career with the New Jersey department of banking and insurance, and later was with the City Mortgage Guaranty Co. and Franklin Mortgage and Title Guaranty Co. before going with the Mutual Benefit.

Mr. Whitesell's entire business career has been with Mutual Benefit. Since joining the company in 1905, his experience has been in the financial field with the exception of his first two years. He was elected assistant treasurer in charge of the bond department in 1929 and treasurer in 1946.

Mr. Pille joined Mutual Benefit in 1947 as associate superintendent of agencies and was advanced to director of agencies in January, 1948. He entered the life insurance business in 1930 with Travelers. In 1935 he joined Connecticut Mutual as an agent of the Fraser agency in New York City.

After serving as district manager of the agency's Bridgeport office, he became supervisor of the Fraser organization, the company's largest agency. In 1940 he was called to the home office and named educational director in 1945.

Mr. Phillips joined Mutual Benefit in 1935 after his graduation from Princeton University in 1934.

Republic National voted to pay to all home office employes a bonus of 1% of annual salary, multiplied by the number of years of service, with a $500 maximum.

LEGAL RESERVE FRATERNALS

Germania Mutual Merged with Equitable Reserve

Germania Mutual Life of Milwaukee has been merged with Equitable Reserve Assn. of Neenah, Wis. Germania Mutual was organized in Milwaukee in 1888.

The merger was made official after a hearing in Madison before a commission made up of John L. Sonderegger, acting for the governor, Thomas E. Fairchilds, attorney-general and John R. Lange, insurance commissioner. Following this public hearing, which was held in compliance with the Wisconsin statutes, the order was issued merging Germania Mutual with Equitable Reserve.

The hearing was attended by four officers of the Equitable Reserve Association: President Norton J. Williams, Secretary M. L. Ridgeway, Assistant Treasurer Leon H. Tolversen and General Benjamin Poss. The four officers representing the Germania Mutual were President Richard W. Mantey, Secretary Gertrude Marks, Trustee John J. Lehman and General Attorney Joseph R. Ertl. All appeared in favor of the merger. No one appeared in opposition.

The merger will add to Equitable Reserve about $1,600,000 of life insurance, with additional assets of about $780,000. The annual income of the Milwaukee society is about $126,000. All of the business of the Germania Mutual will now be merged with the Equitable Reserve and become part of the Neenah association.

Germania Mutual's membership had fallen below the 2,000 required for fraternal societies under Wisconsin statutes. The late Charles Wolf was active head and secretary-treasurer of the Germania Mutual for many years before his death.

W.O.W. Dedicates Memorials

Woodmen of the World, Omaha, recently dedicated a bronze memorial marker to Stephen C. Foster, American musician, at Live Oak, Fla., and to Senator Thomas E. Watson at Thomson, Ga., for his pioneering in getting rural free delivery of mail. President Farrar Newberry made the presentation at Live Oak, where Senator Claude Pepper was the principal speaker, and at Thomson, where Judge Grady of the Georgia supreme court was the principal speaker.

Security Benefit to Be Mutual Life Company

Security Benefit Assn. of Topeka will convert to a mutual life company Jan. 2. The arrangement has been approved by the Kansas department. The fraternal was organized in 1892. It is licensed in 28 states. Assets at Dec. 31, 1948, were $26,549,759. It had a surplus of $260,374, in addition to contingency reserves of $5,392,235. Insurance in force was $112,166,374.

The annual convention of the **New York Fraternal Congress** will be held on Feb. 10 at the Hotel Astor in New York City.

Charles A. Smith, 79, secretary-treasurer of Royal Highlanders from 1931 until his retirement because of ill health in 1945, died at Lincoln, Nebr., after a long illness.

R. C. Walker Chairman of Life of Virginia

Robert C. Walker has been elected chairman of Life of Virginia, succeeding the late Bradford H. Walker. Mr. Walker was educated at Yale and Harvard universities. A member of the Philadelphia bar, he is a partner in the law firm of Montgomery, McCracken, Walker & Rhoads, and has been a director of the life company since 1945.

While his election as board chairman preserves the long official identification of his family with the company, he stated that he expected to continue his residence and practice of law in Philadelphia. Active management of the company remains unchanged, with Robert A. Henley as president.

Poorman Speaks at Wausau

W. F. Poorman, president of Central Life of Iowa, spoke at the annual meeting and Christmas party of the C. C. Tucker agency at Wausau, Wis.

Gives Course for Members

The Solomon Huber agency of Mutual Benefit Life in New York City is starting a four-year university course in life insurance for its members. Among the subjects to be covered are psychology, semantics, logic, finance and economics. Each course will include 15 lectures of two hours each. One course per semester will be taken. Costs are borne by the general agent.

Leading Cities in Premiums Listed

(CONTINUED FROM PAGE 1)

Hospital	28,594,352
Life	2,152,979
Fraternal	9,944,359
Total	**136,788,921**

DALLAS—16

Stock Fire	26,319,588
Mutual Fire	80,114
Stock Casualty	21,329,065
Mutual Casualty	14,363,288
Reciprocal	90,768
Acci. & Health	11,995,280
Hospital	4,319,730
Life	52,756,019
Fraternal	1,726,529
Total	**132,980,381**

CINCINNATI—17

Stock Fire	6,172,846
Mutual Fire	190,043
Stock Casualty	4,880,201
Acci. & Health	4,482,584
Hospital	6,597,939
Life	111,180,287
Total	**132,503,900**

ST. PAUL—18

Stock Fire	52,672,504
Mutual Fire	1,677,637
Stock Casualty	34,635,551
Mutual Casualty	2,984,349
Acci. & Health	85,000
Hospital	10,385,143
Life	17,202,825
Fraternal	2,166,656
Total	**121,809,665**

INDIANAPOLIS—19

Stock Fire	13,487,384
Mutual Fire	16,480,243
Stock Casualty	16,229,592
Mutual Casualty	16,516,225
Reciprocal	10,489,858
Acci. & Health	3,121,565
Hospital	7,913,999
Life	29,644,398
Fraternal	1,158,684
Total	**115,041,948**

COLUMBUS—20

Stock Fire	2,351,285
Mutual Fire	4,719,704
Stock Casualty	8,212,557
Mutual Casualty	54,664,325
Acci. & Health	3,578,464
Hospital	5,096,688
Life	24,911,047
Fraternal	2,463,992
Total	**105,998,062**

ST. LOUIS—21

Stock Fire	9,563,169
Mutual Fire	93,039
Stock Casualty	44,093,473
Mutual Casualty	181,163
Reciprocal	3,233,593
Acci. & Health	11,892,858
Hospital	8,260,061
Life	22,643,884
Fraternal	1,793,579
Total	**101,754,819**

NASHVILLE—22

Stock Fire	290,240
Acci. & Health	16,427,062
Life	74,644,358
Fraternal	404,949
Total	**91,766,609**

BLOOMINGTON, ILL.—23

Stock Fire	3,006,326
Mutual Fire	65,475
Mutual Casualty	77,561,595
Reciprocal	2,206,647
Life	7,948,339
Total	**90,788,382**

RICHMOND—24

Stock Fire	2,095,950
Mutual Fire	66,032
Stock Casualty	10,539,380
Mutual Casualty	962,562
Acci. & Health	14,367,115
Hospital	3,119,733
Life	58,183,082
Fraternal	408,986
Total	**89,742,840**

PROVIDENCE—25

Stock Fire	25,031,716
Mutual Fire	50,978,808
Mutual Casualty	5,979,699
Hospital	5,244,227
Life	249,148
Total	**87,483,598**
Reciprocal	358,039

Rhodebeck's Visit to Hawaii Agency Opens U. S. Life's Centennial Year

Coincident with United States Life's entry into its 100th anniversary year in 1950, Richard Rhodebeck, president, will leave New York City for a field visit to the Brainard & Black agency of the company in Honolulu. Mr. Rhodebeck will fly to the coast and leave on the "Lurline," which is expected to reach Hawaii on Jan. 9.

R. Rhodebeck

During his two-week stay, Mr. Rhodebeck will acquaint agents and office personnel with a general outline of the company's 100th anniversary program and will have the opportunity of viewing the operation of the agency in its new and modernly designed two-story building which is considered one of the most unusual in the insurance business.

Mr. Rhodebeck's last trip to Hawaii was made during the war in 1943 when he was superintendent of agencies. During the six years that followed much progress and development have taken place both within the agency and the company. After being appointed as territorial general agent in 1938, the Brainard & Black agency showed steady growth. Its insurance in force increased from $20 million at the end of 1943 to over $33 million as of Sept. 30, 1949. During the same period the company's insurance in force rose from $101 million to $270 million.

Mr. Rhodebeck is expected to return to the mainland on Jan. 26.

Calls Year Most Eventful of Decade

(CONTINUED FROM PAGE 2)

commission on April 28, 1949, released the text of its proposed trade practice rules directed toward prevention of unfair competition and deceptive trade practices in the mail order insurance industry. A hearing on the proposed rules was held on May 25, 1949.

All lines of insurance have manifested a close interest in the developments before the commission. Final promulgation of its rules in this connection have been anticipated for some time, but it now seems likely the commission will await the outcome of the Travelers Health Assn. case in which the commonwealth of Virginia seeks to require the Nebraska concern to obtain a corporation commission's securities license in order to sell its policies in Virginia. The Virginia courts sustained the commonwealth's position and the case is on appeal to the U. S. Supreme Court.

Insurance Commissioners' Activities

The liaison committee of the National Assn. of Insurance Commissioners contacting Congress and the federal agencies has rendered effective help in determining the extent of the jurisdiction of the federal trade commission with reference to the unlicensed mail order insurers.

The committee has been keeping an ever-watchful eye on the effectiveness of public law 15 under which Congress granted to the states the right to supervise the business of insurance. The insurance commissioners are of the belief that legislation passed by the states since the Supreme Court's decision in the Southeastern Underwriters Assn. case has been in substantial compliance with the federal law. Strengthening of state insurance laws is to continue. Any move in Congress to alter the present pattern relating to regulation of insurance is certain to draw fire from the insurance commissioners' organization.

Life Company Taxation

Shortly before adjournment of Congress the chairman of the ways and means committee appointed a subcommittee of seven members to study the question of life insurance company taxation. The chairman had previously introduced a joint resolution to amend the existing tax law by freezing the reserve and other liability credit of life insurance companies at 92% and to apply that ratio for the years 1948 and 1949. It was generally believed the Treasury had sponsored the plan. The revenue yield under the proposal was estimated at $90 million for the two years.

The subcommittee held a hearing Oct. 25 which was attended by the joint committee on federal income taxation of the Life Insurance Assn. of America and the American Life Convention. At the hearing the joint committee opposed the 92% Treasury plan and suggested instead that the average valuation rate of the life insurance industry be adopted with no retroactive tax liability. After some discussion of the average valuation method the chairman of the subcommittee informed the life company committee that his subcommittee was ready to recommend the 92% plan and at the same time offered to approve instead the average valuation rate if applied to the years 1947, 1948 and 1949. The tax yield for the three years was estimated at $90 million.

OCT. 30 HEARING

The subcommittee thereupon set Oct. 30 as a hearing date for any individual companies that might wish to testify in the matter, and at that hearing Equitable Society and Northwestern Mutual Life appeared before the subcommittee in favor of the average valuation rate but in opposition to the retroactive tax features under consideration. Acacia Mutual presented a proposal to apply the tax on the basis of 50% of an individual company's experience and 50% on the average of the industry.

On Nov. 1 the joint committee of the life insurance associations appeared before the House subcommittee and approved the average valuation rate for the years 1947, 1948 and 1949. The subcommittee is expected to recommend this plan to the full ways and means committee as temporary or stop-gap legislation, leaving the matter of a permanent tax plan for further study.

Amendments to the federal social security act as passed by the House shortly before the adjournment of Congress contained greatly liberalized old age and survivors insurance benefits.

The bill (H. R. 6000) does not contain as many undesirable features as some of the social security measures that were before the ways and means committee last winter. Inasmuch as the original intent of the framers of the act was to provide a subsistence level of old age and survivors insurance benefits, it is probable that the Senate will make some reduction in the proposed benefit formula. There is considerable objection also to the proposed increase in the wage base from $3,000 to $3,600. In view of the fact that the social security contributory payroll taxes will be increased from 1% to 1½% in 1950, it is reasonably certain that Congress will approve some increase in old age and survivors insurance benefits over the present law. The tax rate is to rise to 2% in 1951 and to so remain until 1960. Thereafter the rate is to be 3% each on employer and employe.

Compulsory coverage for total and permanent disability as provided in the bill is regarded by many as no more than an idle dream, the cost of which no one knows except that during adverse economic times it may run into billions. It is generally believed that vigorous opposition to the proposed coverage will be voiced in the finance committee's forthcoming hearings.

Social Security for Agents

The moot question of how life insurance agents should be covered for old age and survivors' insurance benefits, whether as employes, independent contractors, or as self-employed individuals, will likely be settled by Congress within the next few months.

The National Assn. of Life Underwriters is on record as favoring coverage of the agents as employes and the pending social security revision bill proposes to cover full-time life insurance salesmen by redefining the term "employe." A number of life companies and their agents have proposed coverage through utilization of the self-employment provisions of the act with a proviso that the companies contribute one-half of the tax liability therefor.

Some companies and agents have suggested a special formula to cover the agents as independent contractors. Last, and perhaps the least in number are the companies and agents who are opposed to any form of coverage of agents under the act.

HEALTH PROGRAM

The administration's national health program thus far has failed to gather substantial support in Congress and it is not expected to gain enough strength to pave the way for passage at the coming session. In any event it seems to be the intent of the sponsors of the program to keep on pressing the issue into the next Congress or until it has been decided.

The trend toward establishment of workers' retirement benefits has been greatly spurred through the collective bargaining process. Settlement of the steel and automotive workers' demands for pensions on the basis of $100 per month, including social security, has more or less set the pattern for the demands of many other industrial workers in future bargaining cases.

Since the surge for pensions has become so widespread the matter should be viewed from the standpoint of its ultimate cost and the ability of the American business economy to support and maintain it. Medium and small sized concerns as a rule cannot afford to spend as much for this purpose as the large ones do.

Pension specialists face a heavy responsibility in advising their clients on the adaptability, soundness and cost of proposed programs. Any pension floor laid for industrial workers is bound to enhance the claims or rights of office workers, supervisory heads and management people for adequate coverage.

Subcommittee on Monopoly Power

When the joint resolution introduced by Chairman Celler of the House judiciary committee, and Senator McCarran, chairman of the Senate judiciary committee, for a full-scale investigation of the life insurance business, failed of approval, Chairman Celler appointed a subcommittee of the House judiciary committee to study the effect of the federal anti-trust laws on general business operations.

The subcommittee began hearings last summer when witnesses from several lines of business and professions gave testimony. With specific relation to life insurance the chairman of the subcommittee appeared to believe that some of the companies have grown too large and that their investment and related practices have tended to become monopolistic. President Leroy A. Lincoln of Metropolitan Life testified before the committee last August and answered questions that were raised at that time.

Nine Company Heads Heard

The hearing took on an added interest for life insurance when the heads of nine companies testified before the subcommittee late in November. The companies were Midland Mutual Life, National Life of Vermont, Home Life of New York, Durham Life, Acacia Mutual, Prudential, Mutual Benefit Life, Security Mutual Life of Binghamton, and Equitable Society. The testimony of the witnesses made a favorable impression on the subcommittee and the consensus of observers was that there will be no recommendations to Congress on the basis of the hearings.

Committee on Economic Report

A subcommittee on investments of the joint committee on the economic report held hearings late in the year in relation to the influence on the economy of investments made by financial institutions, including those of life companies.

The subcommittee's main concern was about the diminishing supply of equity capital for business enterprise and next the failure of the life companies to make loans to small business. The practice of making direct placement loans was also examined. President Lincoln of Metropolitan Life testified that savings through life insurance had a relatively small effect on the diminishing supply of equity capital and called attention to commercial and savings bank accounts, savings and loan association shares and war savings bonds as some of the main sources of supply. He suggested that if small business would come to his company for loans instead of to the government, it would fare better.

The heads or financial officers of several other life companies testified before the subcommittee. They brought out that many small businessmen are being accommodated through mortgage loans on their properties. All the witnesses stood staunchly by the companies' practice of making direct placement loans. There was an atmosphere of friendly cooperation as the witnesses sought to help the subcommittee in relation to investment operations.

NLRB CASES

In September, 1948, Mrs. Nola Patterson, a life insurance agent of Atlanta, filed charges with the regional office of the national labor relations board involving National Assn. of Life Underwriters and 183 life companies and alleging certain violations by them of the national labor relations act. The N. A. L. U. and the companies entered general denials thereto. On July 27, 1949, a settlement agreement in the matter was entered into between the companies, the National Assn. of Life Underwriters and the regional director of the board on the basis of which the regional director declined to issue complaints in the matter.

In October Mrs. Patterson filed new charges with the NLRB alleging that five life companies had violated section 7 of the national labor relations act. She contended that the companies' agents advisory committees are in fact "labor organizations" and as such are controlled or dominated by the companies.

NSLI Dividend Payments

Field men have been finding it somewhat difficult to explain the government's big dividend on National Service life insurance to be paid in 1950 to service men and veterans.

A release for its local associations was prepared by the National Assn. of Life Underwriters which clarified the status of the dividend and explained its source. Meanwhile the veterans administration has pointed out that under legislation approved by Congress all administrative expenses and claims arising from the extra hazard of military service are assumed by the government.

The gain and loss exhibits of private life insurance companies reflect their actual yearly expense, mortality experience and interest earnings, from which figures their net surplus and dividends are determined. Such exhibits are a matter of public record. Until a comparable exhibit is filed by the veterans administration on NSLI experience it

will be difficult to compare its dividends with those of the private insurers.

Except for a temporary business slump in the early part of the year, economic activity was fairly steady with supply more in line with demand and consumption than it has been for some years.

National income has declined moderately over last year's which had reached an all-time peak of $226 billion. It is estimated that the total income for 1949 will be somewhere between $210 billion and $215 billion. Income of employed persons held fairly steady while farm income dropped materially. There is nothing on the economic horizon to indicate a sharp or marked decline in business activity in the period ahead.

Financial or material security of the people, except at the subsistence level, cannot be achieved without their individual efforts and on their own responsibility. The philosophy of some Americans that the government should assume the social burdens of its citizens is a reckless one and if carried out would lead to the ultimate impoverishment of all.

Outlook for Life Insurance

Competition is the cornerstone of the structure on which American life companies have been built. Their progress and success has been determined largely on the price and quality of the product sold.

Freedom to compete has stimulated the development of life insurance. If there is any question about the adequacy of competition in the life insurance business the person who can best answer that question is the life underwriter. It is perhaps his number one problem and he is meeting it every day.

The life insurance companies of America have set their goals beyond present horizons and look forward to the fulfillment of a social program that calls for greater thrift and a higher standard of living for every individual who seeks to attain it. The program will entail some cost but it will be worth the price.

Bargaining Calls for Flexibility

(CONTINUED FROM PAGE 1)

further the ability of management to really manager a company.

William G. Caples, manager of industrial relations for Inland Steel, said that management must now use the "platoon system" in collective bargaining, armed with a team of bargainers whose capabilities include actuarial knowledge, legal knowledge of pension trust, insurance, taxes, accounting knowledge and ability to judge the financial impact on the company's well being of any pension agreement, and legal and practical knowledge of collective bargaining.

He termed the most illogical thing that has crept into bargaining the insistence of unions on bargaining benefits. They are not interested in costs, but in patterns. They will not consider actuaries' reports. Mr. Caples and Mr. Wolman were both agreed that to take a pattern established by a large, well run and solvent company and try to apply it to all companies within the industry is very wrong. Many companies which agree to this type of pattern may be committing financial suicide, he commented.

Walter G. Barlow, vice-president of Opinion Research Corp., said that a survey completed by his organization showed that 66% of industrial workers would rather have 10 cents an hour paid in for pensions than receive a 10 cent hourly pay increase. He testified that most oldsters surveyed would prefer to have help in providing for old age from their employers than from the government through social security. He commented that about 76% of the workers believe a pension plan should call for employe contribution.

A. C. Thornton, industrial relations manager of International Minerals & Chemicals Corp., predicted that business men will generally support increased federal social security benefits, believing that present benefits are now inadequate and that equal taxes or contributions by employes and employers are a sound arrangement.

Management Advances Summarized

(CONTINUED FROM PAGE 3)

been used with effectiveness by many manufacturers. In 1949, an analogous study was made of a group of citizens in Seattle. They were asked not only the usual questions about their ownership of life insurance and their attitude toward it, but in addition each person was asked a series of questions to test their knowledge of life insurance. The results of this study gave us the very valuable fact that the people who know the most about our business are the ones who have the best opinion of the institution and our agents, who own the most and who indicate that they will make further purchases.

What do these facts reveal: that one of our chief needs is to educate and acquaint the public to the limit of our ability with the facts about our business. They show noticeable receptivity and it is our responsibility to give them more information through all possible channels. Agency officers and the heads of agencies can now use those facts from the Seattle survey to encourage agents in the dissemination of such knowledge. Even when a sale does not directly result, a discouraged agent can now be told that he had made valuable progress when he has helped to educate a member of the public.

Management Training Projects

During 1949, our association put in motion several influences in the better training of managers. Not only were the usual two-week schools in agency management made available to a larger group of men than was the case several weeks ago, but a new school was offered, open only to men who previously graduated from the regular schools. This experiment in managerial training was a pronounced success and will be repeated in 1950.

In addition to our schools, the National Assn. of Life Underwriters initiated some very successful conferences in agency management in various cities of the United States. This experiment will also be repeated on an expanded scale in 1950.

Much of the previous literature on the management of an agency has been in pamphlet form, each of which dealt with such a particular topic as recruiting, training, or supervision. In 1949, the entire field of managing an agency was covered for the first time in a single volume entitled "Managing an Agency" and was widely accepted as filling a long-felt gap.

Weekly-Premium Publication

Another forward step in the preparation of literature dealing with the work of the manager was the initiation of a new bi-monthly magazine designed to discuss the work of the head of weekly premium agencies — a field too long neglected.

These activities dealing with the better training of managers are indicative of the recognition of the importance of the subject of managerial training, and of the ability and desire of the business to handle it.

There remains one very important subject in connection with better management of agencies which has received much preliminary study and on which it is hoped that we may have important information in the early future: the matter of the need for devising a method of measuring aptitude for managing, just as we now measure aptitude for selling. It is a long complicated task, but a promising start was made in 1949.

Stresses Scientific Approach

These new procedures and studies, both present and prospective, give sound ground for the belief that we are now attacking these agency problems in the most thorough and scientific manner ever attempted. Research is slow and arduous. Results do not come promptly. Our business learned this many years ago when the actuaries and underwriters initiated the epoch-making studies to uncover new information dealing with the major factors in the science of underwriting risks, such as the significance of height and weight. But when the studies were proved, the result gave the foundation for improved underwriting which we have used effectively ever since.

Thus, it is now possible to hope that agency management has a far brighter future than at any previous time because it has been studied thoroughly and scientifically. The discovery of methods to keep out of the business those men who lack aptitude for selling life insurance, the increase in the number of men who show steady improvement in sales as their experience lengthens, the reduction in agents' turnover — these and other major elements in the complicated work of agency management seem now likely to show major improvement. As these developments are put into effect, the institution will steadily fulfill its primary responsibility: to offer improved service to the public.

The year 1949 was highly significant.

Beazley to Wis. National as A. & H. Sales Head

Samuel G. Beazley has been appointed by Wisconsin National Life as superintendent of A. & H. sales. He attended Northwestern University and following his schooling was in the direct mail advertising business. He later personally conducted a collection business and has had wide experience in sales supervision. The last six years of his business career has been in the home office of Continental Casualty as agency secretary in the A. & H. comercial division. Although he was in the home office, a good portion of his time was spent in field operations.


S. G. Beazley

Mr. Beazley will be a member of the home office agency staff but temporarily will direct his activities from Chicago, where he resides.

L. E. Bartlett, with Mass. Mutual 50 Years, Retires

Leon E. Bartlett, assistant superintendent of the mortgage loan department at Massachusetts Mutual Life, will retire this month after 50 years with the company. He was guest of honor at a luncheon with the senior officers and was presented his 50-year pin and medal by President Alexander T. Maclean. He joined the mailing department in 1900. He progressed to the renewal department to bookkeeping and finally to mortgage loans. He has seen the company's total mortgage loans increase from $21 million in 1911 to over $211 million.

Two-State Party at Salt Lake

Equitable Society held a Christmas party at Salt Lake City for all agents and employes in Utah and Nevada, with more than 175 in attendance. A. E. Denne was presented a 20-year pin and plaque.

Massachusetts Mutual field men went 17% over the $38 million goal for the 1949 "quota buster" contest sponsored by the general agents. Agency quotas were exceeded by 59 agencies, while 572 individual agents exceeded their personal quotas. Lawrence, Mass. won the trophy by having the largest percentage of quota, 389. Second was Jackson, Miss., with 337%.


Their future is our business Today!
The GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE-WINNIPEG, CANADA
Educational Funds
Family Protection
Group, Accident, Health and Hospitalization
Group Life and Annuities
Personal Accident, Health and Hospitalization
Retirement Income